



**4<sup>th</sup> ARMFA GENERAL MEETING  
TANZANIA  
7<sup>TH</sup> - 9<sup>TH</sup> NOVEMBER, 2005**

**PRESENTATION ON:**

***“NEGOTIATING FOR INCREASES IN USER  
CHARGES”***

**By**

**KINGSFORD AMOAH**

**Director, Ghana Road Fund**



# *CONTENTS*

## **1. SOURCES OF REVENUE**

- **Fuel Levy**
- **Vehicle Registration Fees**
- **Road Use Fees**
- **Road & Bridge Tolls**
- **International Transit Fees**

## **2. POLICY ON ROAD USER FEES**

## **3. PROCEDURE FOR OBTAINING RATE INCREASES:**

- a. **Fuel Levy**
- b. **Other Road User Charges**

## **4. KEY ISSUES/CONCLUSIONS**

# 1. SOURCES OF REVENUE

## **A. FUEL LEVY**

- **Constitutes approximately 92% of total revenue into the Road Fund**
- **Charged as a RATE per litre of Petrol and Diesel**
- **Collected by CEPS (Customs Authority) and paid into the Road Fund Account at Bank of Ghana**
- **Current rate is ₵600.00 per litre. (equivalent to US\$6.6 cents)**

## *SOURCES OF REVENUE [continued]*

### **B. VEHICLE REGISTRATION AND ROAD USE FEES**

- **These are collected by the Driver Licensing Authority and into Road Fund Accounts**
- **Fees are charged as a RATE per vehicle**
- **Fees are charged according to the size and category of vehicles e.g. Cars, Pick-ups, Buses, Trucks**

## *SOURCES OF REVENUE (continued)*

### **C. ROAD AND BRIDGE TOLLS**

- **Tolls are charged as RATE per vehicle (for using a designated bridge or road)**
- **Charges are based on size and type of vehicle**
- **Collection is done by Private Companies, contracted for that purpose**
- **Collectors pay a fixed amount monthly to the Fund, based on their own Evaluated Bids and confirmed at negotiations with the Road Fund Board.**



## *SOURCES OF REVENUE [continued]*

### **D. INTERNATIONAL TRANSIT FEES**

- **These are fees paid by foreign vehicles entering and using the road network of Ghana.**
- **Fees are collected at the country's entry points by the Customs Officers based at these points and paid into Road Fund Accounts.**
- **Charges are based on type and size of vehicle, and in consonance with charges by neighbouring countries**



## *2. POLICY ON USER CHARGES*

- a. Other Road User Fees to be at least 10% of total revenue**
- b. Fuel Levy to be increased systematically until it reaches the equivalent of US\$ 9.5 Cents per litre**
- c. Roads Ministry to submit Memo to Cabinet by September of each year**
- d. Roads to be tolled to be at least 50 km long**



### **3. PROCEDURE FOR OBTAINING RATE INCREASES**

- a. Sensitisation of Stakeholders, i.e. Transport Unions, Haulage Companies, Farmers, District and Municipal Authorities, Ghana Police, Other Road Users**

**This is done through:**

- **Public Fora – undertaken at Regional Centres**
- **Radio/TV discussions/phone-ins**
- **Newspaper articles**

- b. Road Fund Secretariat proposes increases with appropriate schedules and justifications**

- c. Road Fund Board discusses and formally approves the proposed increases**

**PROCEDURE FOR OBTAINING RATE INCREASES [continued]**

- d. Road Fund Secretariat sends a letter to the Roads Ministry with supporting evidence of the Board's approval of increases in rates**
- e. Road Ministry prepares a Memorandum to the President's Office [Secretary to Cabinet]**
- f. Cabinet discusses and approves [or rejects/modifies] the proposed new rates**
- g. The Attorney General's Office prepares draft Amendment Bill**
- h. Draft Bill is presented to Parliament and "Laid" in the House by Roads Minister. Parliament debates and if appropriate, approves the Bill. [Bill may be referred to the Parliamentary Select Committee on Roads and Transport for further analysis and consultations]**

*PROCEDURE FOR OBTAINING RATE INCREASES [continued]*

- i. The approved Law is then sent to the President for his assent, after which it becomes Law**
  
- j. The approved new rates are implemented after public notification in the local press**
  
- k. Post implementation education and enforcement**

#### **4. KEY ISSUES/CONCLUSIONS**

- a. The approval process for increases in rates rather long and depends on the Political will of Government. All increases must go through Parliament**
- b. Avoidance by road users, especially commercial drivers causes leakage of revenue. This requires enforcement by Police who at times are ineffective**
- c. Current rates too low as a result of irregular increases, thus causing funding gaps in funding for road maintenance**
- d. Continuous public education and consultations are essential**