

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

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

*ON THE*

**2023 ANNUAL BUDGET ESTIMATES OF  
THE MINISTRY OF RAILWAY  
DEVELOPMENT**

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# **REPORT OF THE COMMITTEE ON ROADS AND TRANSPORT ON THE 2023 ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF RAILWAYS DEVELOPMENT**

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## **1.0 INTRODUCTION**

1.1 The Budget Statement and Economic Policy of the Government of Ghana for the 2023 financial year was presented to Parliament by the Hon Minister responsible for Finance, Mr Ken Ofori-Atta, on Thursday, 24th November 2022 in accordance with article 179(1) of the 1992 Constitution of the Republic of Ghana.

1.2 The draft Budget Estimates of the Ministry of Railways Development was subsequently referred to the Committee on Roads and Transport for consideration and report in accordance with Orders 140(4) and 189 of the Standing Orders of the Parliament of Ghana.

## **2.0 DELIBERATIONS**

2.1 The Committee on Roads and Transport met with the Honourable Deputy Minister, Mr Kweku Asante Boateng, and officials from the Ministry of Railways Development on Monday, 5th December 2022, to consider the referral. Officials of the Ministry of Finance were present to offer clarification on issues raised.

2.2 The Committee expresses its gratitude to the Honourable Deputy Minister and his team for their cooperation and support.

### **3.0 REFERENCE DOCUMENTS**

The Committee made reference to the under-listed documents during its deliberations:

- The 1992 Constitution of the Republic of Ghana;
- The Standing Orders of the Parliament of Ghana;
- The Budget Statement and Economic Policy of the Government of Ghana for the 2022 Financial Year;
- The Budget Statement and Economic Policy of the Government of Ghana for the 2023 Financial Year;
- The National Medium-Term Development Framework (NMTDF) for the period 2022-2025, and
- The Report of the Committee on Roads and Transport on the 2022 Annual Budget Estimates of the Ministry of Railways Development.

### **4.0 BACKGROUND**

The Ministry of Railways Development exists to provide leadership and guidance for the development of Ghana's Railway System and associated infrastructure, through effective policy formulation, investment promotion, research and development

The Ministry implements its programmes and activities through the following agencies;

- Ghana Railway Development Authority (GRDA) and
- Ghana Railway Company Limited (GRCL).

## **5.0 POLICY OBJECTIVES**

The objectives of the Ministry are to achieve the following:

- Modernise and extend the railway network.
- Ensure effective and efficient flow of goods, services and related information to meet customer needs.
- Develop associated infrastructure.
- Review and develop policies that will enhance well-functioning and self-financing regulatory bodies in a competitive environment.

## **6.0 2022 PERFORMANCE REVIEW OF THE MINISTRY**

The Ministry in the year under review, embarked on a number of activities to fulfil its mandate of providing leadership and guidance for the development of Ghana's railway system and associated infrastructure through the following Rail Transport Programme and Management and Administration.

### **6.1 RAIL TRANSPORT PROGRAMME**

#### **6.1.1 Western Railway Line**

The Western Railway Line from Takoradi to Kumasi is dedicated for the transportation of major minerals and other bulk commodities in order to minimise haulage by road transport. This is expected to reduce road deterioration as a result of the hauling of such bulk commodities.

Sections of the Railway construction are at different levels of completion;

- The Kojokrom through Eshiem to Manso section is 89.41% complete and is expected to be completed by the 1st quarter of 2023.
- The site for the Kumasi (Adum) to Kaase section has been cleared with culvert construction works commencing in September, 2022. The contract is expected to be completed in 12 months.
- A contractor has been mobilised for the Takoradi Port, Mnasoo to Huni Valley as of May, 2022. Land has also been acquired and the excavation and rock stabilisation work has commenced. Efforts are being made to speed up the construction works to complete a section of the project up to Nsuta within twelve (12) months. This would assist in transportation of minerals by rail to the Port of Takoradi instead of road network.

#### **6.1.2 Tema-Mpakadan Railway Line (Standard Gauge)**

The Tema to Mpakadan Standard Gauge Railway Line Project is gradually nearing completion with major components of the project completed. These include the 300-metre rail bridge across the Volta River, maintenance facilities, passenger stations and freight yards, signalling and telecommunications, among others.

#### **6.1.3 Improved Rail Service**

The Accra-Tema section of an improved passenger rail service on the existing narrow gauge of the Eastern Railway Line has been reactivated after the service went dormant in 2020 due to the COVID-19 pandemic. Maintenance works are also on-going on the Achimota to Nsawam section in order to restore passenger operations.

## **6.2 MANAGEMENT AND ADMINISTRATION PROGRAMME**

### **6.2.1 Capacity Training and Development**

In line with the Ministry's efforts to develop local capacity in order to maintain the railway system and sustain it for future generations, the old Railway Training School in Sekondi has been upgraded. The upgraded school is now known as the UMaT School of Railways and Infrastructure Development. The facility has since its upgrade in 2021, enrolled over 1,000 youth in various engineering and ancillary programmes.

The Ministry is in the process of rehabilitating the Railway Location Workshop Complex situated at Sekondi to be used as the main workshop for the maintenance of locomotives, wagons, coaches and other ancillary railway equipment for efficient operation of railway services in Ghana.

Refurbishment works at two workshops (the Diesel and Erecting Workshops) were completed by 2020 while the five remaining workshops are currently at 94 per cent complete. The store houses are 57 per cent complete.

## **7.0 FINANCIAL PERFORMANCE FOR THE 2022 FISCAL YEAR**

A total amount of **Five Hundred and Thirty Million, Five Hundred and Ninety Thousand, Two Hundred and Thirty-Three Ghana Cedis (GH¢530,590,233.00)** was allocated to the Ministry for its programmes and activities for the 2022 financial year. A total amount of GH¢475,309,348.76 had been released with a total amount of GH¢419,958,406.37 was expended by the Ministry as at September, 2022.

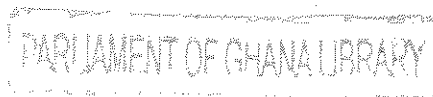


Table 1 provides the allocation to the Ministry and the releases as at 30<sup>th</sup> September 2022

**Table 1: 2022 Allocations to the Ministry of Railways Development by Economic Classification**

Economic Classification	2022 Revised Budget	2022 Released Budget	Actual Payment (Jan-Sept)	Variance	%
	GHC	GHC	GHC	GHC	Variance
	B	C	D	B-D	
Compensation	5,291,000.00	2,669,590.93	2,669,590.93	2,621,409.07	50.46
GoG	5,291,000.00	2,669,590.93	2,669,590.93	2,621,409.07	50.46
Goods and Services	9,601,533.00	2,388,243.26	1,644,502.74	7,957,050.26	17.13
GoG	7,699,553.00	961,743.26	606,823.77	7,092,729.23	7.88
IGF	1,902,000.00	1,426,500.00	1,037,678.97	864,321.03	54.56
CAPEX	515,697,680.00	470,251,514.57	415,644,312.70	100,053,367.30	80.60
GoG	5,944,000.00	1,985,237.24	362,717.45	5,581,282.55	6.10
IGF	476,000.00	476,000.00	259,888.00	216,112.00	54.60
ABFA	159,055,680.00	129,982,219.85	77,213,649.77	81,842,030.23	48.55
DP	350,222,000.00	337,808,057.48	337,808,057.48	12,413,942.52	96.46
<b>Total</b>	<b>530,590,233.00</b>	<b>475,309,348.76</b>	<b>419,958,406.37</b>	<b>110,631,826.63</b>	<b>79.15</b>

*Source: Presentation of the Ministry of Railways Development*



## **8.0 PROGRAMMES AND OUTLOOK FOR 2023**

- 8.1 The Ministry in year 2023 will continue to develop local human resources and technical capacity for the maintenance of the railway system by organising workshops and equipping the youth through practical hands-on training. This is to create jobs and wealth to support the growth of the economy.
- 8.2 In 2023, the construction of the 22km Kojokrom-Manso section of the Western Railway Line and the 97.97 km of the Tema-Mpakadan line are expected to be completed and operationalised. These will be the first standard gauge railway lines in Ghana.
- 8.3 The Ministry plans to initiate the process of registering and securing land title for all Railway Lands in 2023 and also create a GIS database of Railway Lands and Railway Assets. The Ministry would initiate the process to procure survey equipment and hand-held GPS devices for the railway lands acquisition process. The 97.7km standard gauge railway line forms part of the Ghana-Burkina Faso Railway line. The objective of the project is to improve passenger and freight transport between both countries in order to accelerate development and economic growth. The project is 94.72 per cent complete and it is expected to be fully completed by the first quarter of 2023.
- 8.4 The construction of the Kumasi-Kaase and Dunkwa-Obuasi Railway lines would continue in year 2023.
- 8.5 The Ministry will also complete works on the old Railway Workshop Complex at Sekondi to strengthen local capacity.

## 9.0 BUDGETARY ALLOCATION FOR THE YEAR 2023

Budgetary allocation to the Ministry of Railways Development by economic classification and sources of funding for 2023 is indicated in Table 2.

**Table 2: 2023 Budgetary Allocations by Economic Classification and Sources of Funding**

Economic Classification	GoG	IGF	ABFA/ others	Donor Partners	Total
Compensation	5,608,460.00	-	-	-	5,608,460.00
Goods and Services	3,079,977.00	4,120,303.00	-	-	7,200,280.00
Capex	1,999,872.00	1,030,076.00	160,000,000.00	442,400,000.00	605,429,948.00
Total	10,688,309.00	5,150,379.00	160,000,000.00	442,400,000.00	618,238,688.00

*Source: 2023 Budget Statement and Economic Policy of Government*

To run its programmes and activities for the year 2023, a total amount of GH¢618,238,688.00 has been allocated to the Ministry of Railways Development.

## **10.0 OBSERVATIONS AND RECOMMENDATIONS**

### **10.1 2023 BUDGETARY ALLOCATION**

The Committee observed that the budgetary allocation of GH¢ 618,238,688 to the Ministry of Railways Development for the 2023 financial year has significantly increased from GH¢18,238,688 for the 2022 financial year, showing a 16.5 per cent increase in allocation.

### **10.2 ENCROACHMENT ON RAILWAY LINES**

The Committee noted that the Ministry of Railways Development had challenges with encroachment on lands earmarked for railway projects. These challenges have financial implication since the Government has to compensate these encroachers when projects are being undertaken.

Construction works are often delayed because the Ministry usually has to settle the encroachers financially in order to get the right of way on its own land.

The Committee expressed concerns about the Ministry's ability to take the necessary steps to ensure that all its earmarked lands and properties are properly protected.

The Committee urged that the Ministry to take the necessary steps to prevent encroachment.

### **10.3 GALAMSEY ACTIVITIES DISRUPT CONSTRUCTION**

The Committee was informed about illegal mining (*galamsey*) activities which were causing damage to railway infrastructure resulting in huge financial

losses. It was noted that the Ministry would require an amount of US\$2 million dollars to reclaim lands destroyed as a result of illegal mining activities.

The Committee urges the Ministry to collaborate with the Ministry of National Security and the Ministry of Lands and Natural Resources through “OPERATION HALT” to curb the activities of *galamsey* operators.

#### **10.4 PEDESTRIAN SAFETY**

The Committee observed that some railway lines traverse communities and residential areas, thereby segmenting those communities. These communities therefore have to cross the train tracks from one side to the other in their daily activities.

The Committee requests the Ministry of Railways Development to construct safe level crossings for vehicles and pedestrians and provide a signalling system to warn pedestrians and vehicles of oncoming traffic. This will help prevent accidents and damage to the train tracks.

#### **10.5 COMPENSATION OF AFFECTED COMMUNITIES BY RAIL LINES**

The Committee observed that funds needed to compensate Project Affected Persons (PAPs) have stalled causing delay to certain projects. For instance, PAPs around the Afiensa railway have threatened to disrupt work on the stretch due to the fear that they would not be compensated once the project is completed.

The Committee was however informed that the Ministry had just received a report on the valuation of properties from the Lands Commission. This will

enable the Ministry commence the process for compensation to be paid to affected persons. It was worth noting that the Kwakye community which was affected in the Asuogyaman District has been relocated with adequate accommodation provided to members of the community. The Ministry having taken cognisance of the fact that the inhabitants are solely fisher folks has provided an access bridge to the riverside to facilitate economic activities.

#### **10.6 BOANKRA INTEGRATED LOGISTICS TERMINAL (BILT)**

The Committee noted that there was need for a railway line from Boankra to be extended to the Tema Port to facilitate transportation of heavy goods to the port.

The Committee noted that for the Boankra Integrated Logistics Terminal to be viable, it is essential that the railway line is connected to the Tema Port. It was explained that without a railway line moving from Tema Port through Boankra Integrated Logistics Terminal to the northern part of Ghana, goods would be transported through the Eastern Corridor using long trucks. This would defeat the purpose of the Boankra Integrated Logistics Terminal and render it redundant.

The Committee urges the Ministry of Railways Development to collaborate with the Ministry of Transport to ensure that the Boankra Integrated Logistics Terminal functions optimally.

## **10.7 PRIORITISATION OF RAILWAY PROJECTS**

The Committee was informed that the Ministry of Railways Development would require an estimated amount of \$72.5 million dollars and GH¢41.48 million to undertake and complete a number of projects.

The Committee noted that with the current economic crisis facing the country, it would be difficult for the Ministry to obtain the total amount needed to complete all its projects in 2023.

The Committee recommends that the Ministry of Railways Development prioritises its development projects expected to generate revenue. This would enable the Ministry increase its internally generated funds to support the completion of other outstanding projects.

## **10.8 FUNDING SUPPORT**

The Committee observed that the Government of Ghana funded projects were lagging behind time schedules due to delay in the release of funds.

The Committee requests the Ministry liaise with potential investors to access funds through Public Private Partnership (PPP) arrangements in order to fund some capital intensive projects.

## **10.9 EVALUATION OF THE RAILWAY PROJECT OBJECTIVE FOR MAXIMUM REVENUE GENERATION**

The Committee noted that the operation module of some railway projects does not support adequate revenue generation. For instance, the Tema-Mpakadan

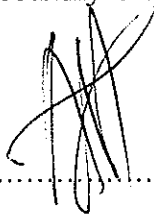
line may not generate expected revenue if it is limited to transporting passengers only.

The Committee requests the Ministry of Railways Development to prioritise the Western Railway line as it is expected to link major mining towns to the Takoradi port upon completion. It was noted that this project has the potential to generate more revenue for the Government.

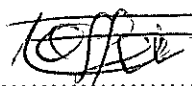
### **11.0 CONCLUSION**

The Committee, having carefully examined the 2023 Annual Budget Estimates of the Ministry of Railways Development and recognising the important role the sector plays in the development agenda of the country, recommends to the House to adopt its report and approve the sum of **Six Hundred and Eighteen Million, Two Hundred and Thirty-Eight Thousand, Six Hundred and Eighty-Eight Ghana Cedis** (GH¢618,238,688.00) for the financial year ending 31<sup>st</sup> December, 2023.

Respectfully Submitted.



**HON KENNEDY NYARKO OSEI  
(CHAIRMAN, COMMITTEE ON  
ROADS AND TRANSPORT)**



**MRS. EUNICE K. ABEKA  
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DECEMBER 2022

