



REPUBLIC OF GHANA

MINISTRY OF RAILWAYS DEVELOPMENT



2018 ANNUAL REPORT

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LIST OF ABBREVIATIONS

ABFA	-	Annual Budget Funding Amount
BOT	-	Build, Operate and Transfer
CAPEX	-	Capital Expenditure
CBD	-	Central Business District
CCECC	-	China Civil Engineering Construction Corporation
CDB	-	China Development Bank
CTRC	-	Central Tender Review Committee
E. I.	-	Executive Instrument
EOI	-	Expression of Interest
EPC	-	Engineering, Procurement & Construction
FEED	-	Front-End Engineering Design
GoG	-	Government of Ghana
GRCL	-	Ghana Railway Company Limited
GRDA	-	Ghana Railway Development Authority
ICT	-	International Competitive Tendering
IGF	-	Internally Generated Fund
MoRD	-	Ministry of Railways Development Authority
MoU	-	Memorandum of Understanding
OHCS	-	Office of the Head of Civil Service
PNDCL	-	Provisional National Defence Council Law
PPA	-	Public Procurement Authority
PPP	-	Public-Private Partnership
PSC	-	Public Services Commission
PwC	-	PricewaterHouse Coopers (Ghana) Limited
RFP	-	Request for Proposal
RFQ	-	Request for Qualification

EXECUTIVE SUMMARY

The following Report, covering the period January – December, 2018, has been prepared in line with Guidelines issued by the Office of the Head of Civil Service (OHCS) to facilitate the fulfilment of Section 85(1) of the Civil Service Act, 1993 (PNDCL 327). The Report covers key activities undertaken in 2018 by the Ministry and its two (2) Railway Sector Implementing Agencies; the Ghana Railway Development Authority (GRDA) and the Ghana Railway Company Limited (GRCL).

Profile of Ministry of Railways Development

The Ministry of Railways Development (MoRD) was established by His Excellency, the President, in February, 2017, per Executive Instrument (E.I.) 28, 2017, in accordance with section 11 and 13 of the Civil Service Act, (PNDCL 327). The Ministry is tasked with the responsibility of ensuring the rapid development of a modern rail network and associated infrastructure in Ghana.

The Vision of the Ministry is to develop a modern, robust and integrated railways system as well as associated infrastructure to serve as a catalyst and a backbone for the transformation of the economy and make Ghana’s rail transport system the lead transport system in Africa.

The Ministry of Railways Development exists to provide leadership and guidance for the development and modernization of Ghana’s railway system and associated infrastructure through; effective policy formulation, investment promotion, market regulation, oversight responsibility, sector development including research & development, asset management and responsive service delivery.

Staff Strength

Ministry, Headquarters

The Civil Service staff strength of the Ministry stood at forty one (41) as at the end of December, 2018. This was made up of 30 Senior Staff and 11 Junior Staff who are distributed among the various Directorates and Units as follows:

- Finance & Administration	-	26
- Human Resource Management & Development	-	3
- Research, Statistics & Information Management	-	5
- Policy Planning, Monitoring & Evaluation	-	5
- Internal Audit	-	2
Total	-	<u>41</u>

In addition to the above, the Ministry had 13 other relevant staff and 9 Consultants, as well as, 20 National Service Personnel.

Ghana Railway Development Authority (GRDA)

The Ghana Railway Development Authority had a staff strength of 46 personnel as at the end of December, 2018 distributed as follows:

- Management Staff	-	4
- Senior Staff	-	26
- Junior Staff	-	16
Total	-	<u>46</u>

The Authority obtained financial clearance from the Ministry of Finance to recruit 32 No. key staff. By the end of December, 2018 a total of 30 No staff were recruited.

Ghana Railway Company Limited (GRCL)

The staff strength of the Ghana Railway Company Limited, as at the end of December, 2018 stood at 1,247. These were distributed among various Departments as follows:

- Personnel/Administration	-	70
- Finance/Accounts	-	34
- Purchasing/Supplies	-	17
- Security	-	104
- Computer	-	14
- Traffic	-	208
- Mechanical/Electrical	-	279
- Civil Engineering	-	495
- Signalling & Telecommunications	-	13
- Internal Audit	-	13
Total	-	<u>1,247</u>

Highlights of Key Achievements

Western Railway Line:

The rehabilitation of the existing 56km narrow gauge line from Kojokrom to Tarkwa through Nsuta by Railway workers is nearing completion (about 90% complete). This will lead to the restoration of passenger rail services from Tarkwa to Takoradi for the first time since 2007. The operation of freight service from the manganese mine, at Nsuta to Takoradi, has also improved and the ongoing rehabilitation has also led to the spectacular reduction of the number of derailments and incidents that occur on the line.

The construction of the new standard gauge railway line from Kojokrom to Eshiem, a distance of 5km, is also progressing steadily. Site clearing and formation/earthworks have been completed for 3km out the 5km. Essential materials for the works, including Concrete Sleepers and Rails/Bolts are also on order to be used for the works. The construction works are being undertaken by an Engineering, Procurement and Construction (EPC) Contractor, Messrs Amandi Holding Limited.

In February, 2018, a conditional Contract was signed with Messrs Amandi Holding Limited for the continuation of the standard gauge line on the Western Railway Line. The project spans a distance of about 17km from Eshiem to Manso. The following three (3) condition precedents needs to be fulfilled to make the contract effective:

- i. Obtaining the requisite approvals from the Public Procurement Authority
- ii. After financial arrangement to the satisfaction of the Ministry of Finance has been made
- iii. After Value-for-Money audit has been concluded by the Ministry of Railways Development

The Ministry of Finance released Commencement Certificate on 18th June, 2018 and the Public Procurement Authority also conveyed approval on 22nd June, 2018 in partial fulfilment of the condition precedents for the effectiveness of the contract. The final condition precedent, that is, Value-for-Money audit is being undertaken and a Report has been submitted to the Ministry.

The fulfilment of all conditions precedent would pave the way for the commencement of the project.

The final Design Vetting and Supervisory Services for the Kojokrom – Kumasi section of the Western Line is on-going. By the end of December, 2018, the following had been undertaken:

- Detailed topographical survey is completed
- Geotechnical & geological surveys between Takoradi – Tarkwa completed
- Alignment completed between Takoradi to Kumasi
- Infrastructure (Bridges/Culverts) completed between Takoradi and Manso
- Bill of Quantities completed up to Manso.

A proposal was submitted to the Ministry of Finance in July, 2018 for the utilization of part of the China Development Bank (CDB) loan facility for continuation of construction of the standard gauge on the Western Railway Line. The Ministry of Finance is in the process of finalising the financial arrangement with CDB.

Eastern Railway Line:

The rehabilitation of the narrow gauge Accra – Nsawam section of the Eastern Railway line commenced in October, 2017 following the closure of the line in June 2017. In October, 2017, the section of the line from Accra to Tema was also closed for rehabilitation after a derailment incident involving a passenger train. The closure of these lines led to the suspension of the commuter train shuttle services provided by GRCL.

The rehabilitation works are on-going on the Accra to Nsawam section of the line and is 90% complete. Works are expected to be completed fully in the first quarter of 2019; however test runs are being undertaken. Furthermore, the works on the Achimota to Tema section of the line was completed in December, 2018 and test runs commenced. The line is expected to be opened to traffic in January, 2019.

As part of the contract for the rehabilitation of the lines, fifteen (15) existing passenger coaches are being refurbished by GRCL. Ten (10) coaches have so far been refurbished and the remaining are at various stages of completion. This will enhance passenger comfort when the sub-urban commuter services re-open on Accra – Nsawam and Kojokrom – Tarkwa lines.

The development of a new standard gauge Eastern Railway Line from Accra/Tema to Kumasi with a branch line from Busoso to Kyebi, is being undertaken with assistance by Transaction Advisors, led by Messrs PricewaterHouse Coopers (Ghana) Limited (PwC) Ltd.

The procurement process for the private sector development for the line was at the Request for Proposal (RfP) stage by the close of December, 2018. Technical and Financial Proposals from eight (8) firms were being evaluated prior to the selection of the most preferred concessionaire for negotiations and award of Contract.

Kumasi – Paga Railway Line (Central Spine):

The Central Spine is a 595km Greenfield project which seeks to develop a standard gauge railway line from Kumasi to Paga. Messrs Vision Consult Ltd./Gauff Ingenieure/ILF Consulting have been engaged to undertake a feasibility study for the development of the railway corridor

between Kumasi and Paga in order to improve rail and logistics infrastructure as part of an integrated transport network in Ghana, helping to improve services to customers and reducing the cost of transportation, especially, in trade to and from the hinterland and the Northern regions of Ghana, as well as, the Sahelian countries.

Following the kick-off meeting which was held on 25th January, 2018, the Consultant submitted an Inception Report which was reviewed by key stakeholders on 19th March, 2018. Furthermore, a Data Analysis and Route Options Report has been submitted and reviewed by key stakeholders on 21st June, 2018. The Ministry is in consultation with Cabinet to confirm the preferred route option to enable the Consultant to proceed with the remaining stages of the Feasibility Studies.

In terms of actual construction works, the Ministry intends to undertake the development of the line in three (3) sections; that is, the Kumasi to Buipe section, the Buipe to Tamale section and the Tamale to Paga with a branch line from Tamale to Yendi. Funding arrangement with US\$500,000,000.00 loan facility is being finalized with the China Development Bank for the first section from Kumasi towards Buipe. A Memorandum of Understanding (MoU) was signed with China Civil Engineering Construction Corporation (CCECC) in April, 2018 also to study the line (due diligence) and develop the project.

Tema – Mpakadan (Akosombo) Railway Line:

Significant progress has been made in 2018 with regards to the on-going construction works on the Tema – Mpakadan (Akosombo) rail line. The overall completion of the project as at the end of December, 2018 was about 25%.

Ghana – Burkina Railway Interconnectivity Project:

Following an agreement between the two countries (Ghana and Burkina), the Ministry of Railways Development went through the necessary public procurement procedures and obtained approval from the Public Procurement Authority to engage the services of a consortium made up of Messrs TEAM Engineering S.p.A. of Italy and Vision Consult Limited of Ghana to provide Transaction Advisory Services for the development of the project. The Consortium is to undertake feasibility studies, survey and map out the right of way and assist with the procurement of a developer of the line on a BOT basis. The Contract for the assignment was subsequently signed on 16th November, 2018 in Accra.

In order to avoid delays in the procurement process for the private sector partner, Expression of Interest (EOI) advertisements were simultaneously published in Ghana and in Burkina Faso in April, 2018 and a total of sixteen (16) firms expressed interest to undertake the project on BOT basis. The Expression of Interest Proposals were jointly opened in Accra on May 28, 2018. After evaluation of EOI proposals, it was observed and agreed that twelve (12) out of the sixteen (16) firms/consortia met the minimum evaluation criteria and were therefore shortlisted to the next stage of the procurement process, that is the Request for Qualification (RfQ) stage.

Metro / Light Rail Transit System:

The Ministry is in the process of engaging the services of firms to provide Transaction Advisory services to assist the Ministry to go through various phases for the development of the project which includes, undertaking a Feasibility Study and the procurement of a strategic private sector investor(s) to partner Government to develop a Metro/Light Rail System in Accra

and Kumasi under a PPP arrangement. A Contract was signed in September, 2018 with Messrs Systra/Transtech to commence feasibility studies for the Accra Light Rail System.

Aflao – Elubo Railway Line (Trans-ECOWAS Line):

A Contract was signed with Messrs M. R. Technofin Consultants of Canada in December, 2018 for feasibility studies for the development of the Trans-ECOWAS line from Aflao through Cape Coast to Elubo.

Kotoku – Huni-Valley Railway Line (Central Line):

The Ministry is at the final stage of the procurement process to engage the services of a Consultant to undertake feasibility studies for the re-development of the Central Railway Line from Kotoku to Huni-Valley. The Entity Tender Committee considered and approved the recommendation for negotiations with the most preferred Consulting firm to undertake the assignment.

Railway Training School and Location Workshops:

The old Railway Training Institute and Workshop, located at Essikado received a major facelift during the period under review. The Training Institute has been upgraded with modern teaching and learning facilities to enhance capacity building and skills development for the Railway Sector. As at the end of December, 2018, the project was over 90% completed and the Ghana Railways Company Limited started using the facility to run in-house training programs for its staff.

The Railway Location Workshop is also being modernized and equipped to become a one stop workshop to serve the railway, mining, petroleum and agricultural industries in Ghana. Two (2) out of the seven (7) workshops were rehabilitated during the year 2018.

Railway Master Plan:

The Railway Master Plan is being reviewed to expand the rail network to meet present demands and to create an efficient rail transportation that will link important mineral potentials and centers of economic development such as free zone enclaves and industrial parks. As a policy, the master plan will ensure that all capital towns in the country are linked by rail lines. A Contract was signed with the Consultant Messrs Team Engineering S.p.a of Italy in August, 2018 after going through a procurement process and approved by the Public Procurement Authority for the review assignment following which an Inception Report was reviewed by key stakeholders in December, 2018.

Associated Infrastructure:

As part of Government policy to develop every town through which the rail line passes, the Ministry, under its “*Stations-to-Cities*” programme, plans to commence in 2019, developing associated infrastructure along all the major cities through which the rail line passes.

To this end, the Ministry sought and obtained the approval of the Public Procurement Authority to engage the services of Messrs Adjaye & Associates to be engaged to develop Conceptual Designs for the development of the Accra Railway Station as part of the overall concept for the “*Stations-to-Cities*” project.

Financial Performance

For the period January to December, 2018, a total amount of GH¢544,297,260.00 was approved as the Ministry's 2018 Annual Budget for the implementation of the sector's projects, programmes and activities. Out of this amount, GH¢5,000,000.00 was earmarked for the payment of Compensation; GH¢3,869,620.00 for Goods & Services and GH¢150,000,000.00 for Capital Expenditure items. The remaining amount of GH¢383,280,000.00 was allocated under the Indian Exim Bank loan facility for the implementation of the Tema – Akosombo Railway Line project.

During the year under review, a total amount of GH¢602,343,350.27 was released by the Ministry of Finance and spent on various expenditure items under Compensation, Goods & Services and Capex.

Challenges

The Ministry is still entangled with challenges in respect of human resource and logistics. The Ministry has limited office space and therefore is unable to engage the additional technical officers required to augment its limited staff strength.

GRDA is also faced with similar challenges in terms of Office Accommodation and Staffing levels which are having dire impacts on their performance. Thankfully, having obtained financial clearance from the Ministry of Finance, GRDA has engaged thirty (30) key staff to augment its staff strength.

The absence of Regulations is also a challenge that is affecting the safe and secure railway operations and management in the country and steps are being taken to address the issue.

Encroachment on landed railway properties is also affecting the development agenda of Government. Education, publicity and enforcement strategies are being used to curb this problem.

Way Forward

The Ministry will provide the necessary support to facilitate early completion of various studies and procurement processes being undertaken by Transaction Advisors and Consultants to ensure the provision of efficient and effective rail infrastructure and associated infrastructure and services in the country.

PART ONE: PROFILE OF THE MINISTRY

1.0 INTRODUCTION

The Ministry of Railways Development (MoRD) was established by His Excellency, the President, in February, 2017, per Executive Instrument (E.I.) 28, 2017, in accordance with section 11 and 13 of the Civil Service Act, (PNDCL 327). The Ministry is tasked with the responsibility of ensuring the rapid development of a modern rail network and associated infrastructure in Ghana.

The Ministry is also mandated to ensure the development and formulation of policies, plans, and programmes to guide the development of the rail transport sector for movement of passengers and goods, facilitate trade, industrial development and stimulate economic growth.

The overall objective of the railway development programme is to build a modern railway network from the South to the North of Ghana with associated infrastructure to address the imbalance between transport modes for long distance transit and domestic freight movements.

The following Report, covering the period January – December, 2018, has been prepared in line with Guidelines issued by the Office of the Head of Civil Service (OHCS) to facilitate the fulfilment of Section 85(1) of the Civil Service Act, 1993 (PNDCL 327).

1.1 Vision

To develop a modern, robust and integrated railways system, as well as, associated infrastructure to serve as a catalyst and a backbone for the transformation of the economy and make Ghana's rail transport system the lead rail transport system in Africa.

1.2 Mission

The Ministry of Railways Development exists to provide leadership and guidance for the development and modernization of Ghana's railway system and associated infrastructure through:

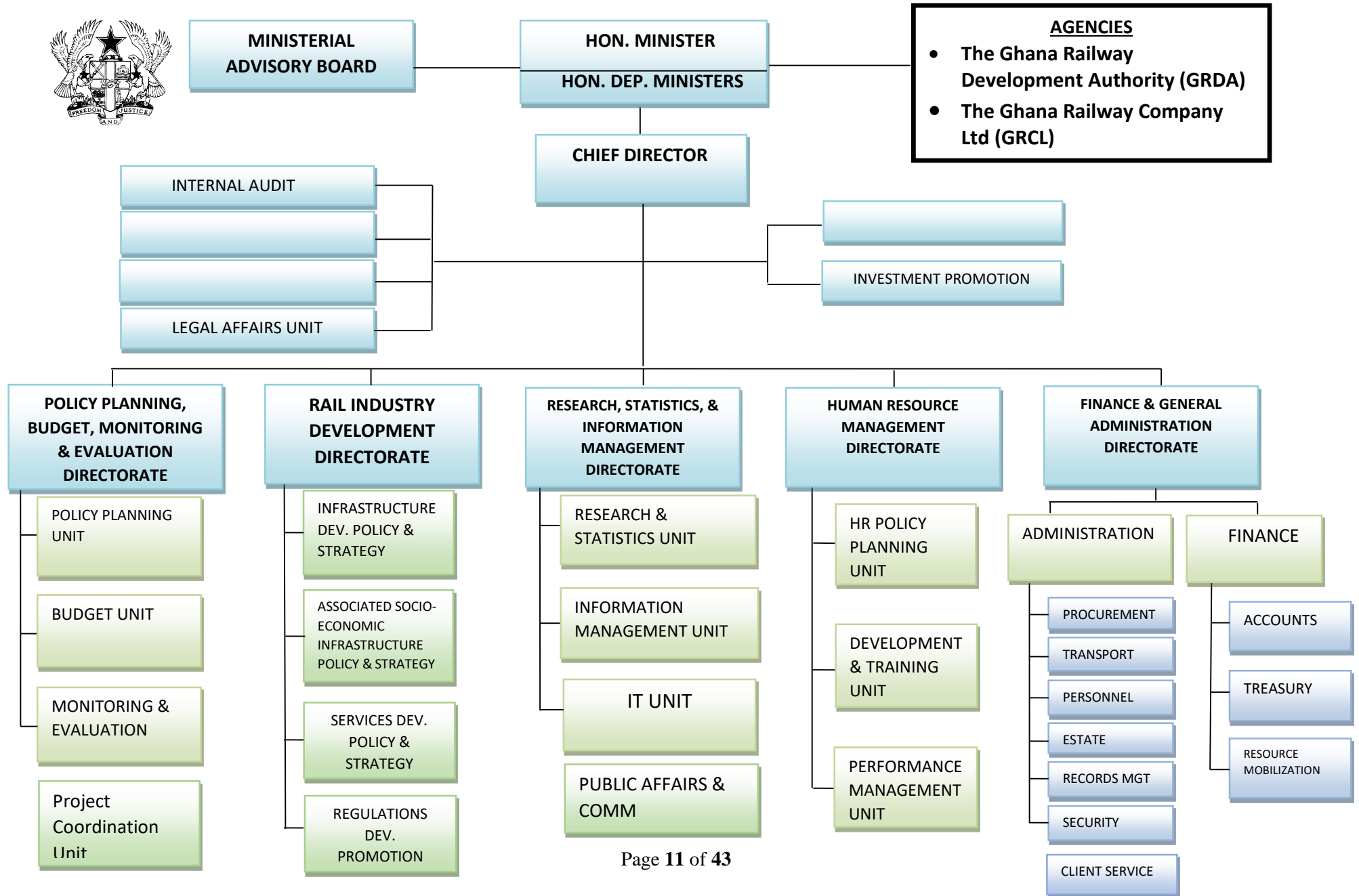
- Effective Policy Formulation
- Investment Promotion
- Market Regulation
- Oversight Responsibility
- Sector Development including Research and Development
- Asset Management
- Responsive Service Delivery

1.3 Functions

The Ministry of Railways Development was created to focus exclusively on rail transportation and therefore mandated to perform the following functions:

- a. Development and formulation of policies, plans, and programmes to guide the development of the rail transport sector as a facilitator of economic activities, trade and stimulant for economic growth
- b. Promotion of investment in the railways sector and investment in associated infrastructure
- c. Development of the appropriate Human Resources capacity for the rail transport sector
- d. Coordination of the sector's budget activities, as well as the sub-vented agencies under the rail transport sector
- e. Provision of oversight responsibility for the rail transport sector
- f. Negotiation of Bi-lateral and Multi-lateral Agreements on railways development and promotion for the country
- g. Provision, facilitation and supervision of research and dissemination of information within and outside the railway sector
- h. Ensuring programme/project implementation
- i. Monitoring and evaluation of plans, programmes and projects within the sector.

1.4 Organizational Structure of the Ministry of Railways Development



1.5 *List of Sector Departments and Agencies*

The Ministry of Railways Development has oversight responsibility over two public sector organizations; the Ghana Railway Development Authority and the Ghana Railway Company Limited. Together with these public sector organizations, the policies, programmes and projects of the railways sector are implemented.

1.5.1 *Sub-vented Agency*

Ghana Railway Development Authority (GRDA)

The Ghana Railway Development Authority (“GRDA”) was established by the Railways Act 2008, (Act 779), (the “Railways Act”). The Railways Act was passed by Parliament on 14th November, 2008 and assented to on 6th January, 2009.

The objects of GRDA as set out by section 2 of the Railways Act are to:

- promote the development of railways and railway services
- hold, administer and improve the Railway Assets
- promote the development and management of suburban railways

Section 98 of the Railways Act prohibits GRDA from operating or managing a railway company or providing railway services. It provides, in this regard, that the Authority (GRDA) shall not operate or manage a railway company or railway services and emphasizes that nothing in the Act (the Railways Act) shall be construed to grant the Authority the power to operate or manage railways or a railway company.

GRDA is required to regulate the planning, construction, management and safety of railways, the carriage of passengers and freight by railways and to provide for related matters.

In the performance of its functions, GRDA, is subject to Ministerial directives. For example, as provided in section 2 (2) (k) of the Railways Act, GRDA in performing the functions of a railways regulator is subject to Ministerial directives. Furthermore, section 3 (1) of the Railways Act gives the Minister responsible for railways, ministerial responsibility for GRDA. Section 3 (2) of the Act also provides further that the Minister may give directives to GRDA on matters of policy and GRDA shall comply.

The functions of a regulator and facilitator of rail transportation given to GRDA under the Railways Act, sought to create an enabling environment for the private sector to invest in the rail transportation sector.

In addition to the above, GRDA also performs the function of asset and infrastructure owner and manager, as provided by section 32 of the Railways Act. Section 32 (1) of the Railways Act provides that on the commencement of the Act, assets belonging to the Ghana Railway Company Limited shall vest in the GRDA.

Railways assets are defined under the Railways Act to include assets which are vested in the GRDA by law or otherwise, and includes the assets of the Ghana Railway Company Limited transferred to GRDA under section 32 of the Railways Act and those acquired by GRDA pursuant to the Act.

Thus, with regard to assets, the assets that GRDA holds on behalf of the Government of Ghana are the assets of the Ghana Railway Company Limited, transferred to GRDA under the Railways Act and assets that have been subsequently acquired by GRDA. Subsequent to the enactment of the Railways Act, GRDA has not acquired more assets.

1.5.2 Public Service Organization

Ghana Railway Company Limited (GRCL)

The Ghana Railway Company Limited was established in 2001 under the Companies' code 1963 (Act 179) to provide freight, parcel and passenger rail services.

The services, as originally planned and envisaged, to be provided by the company include the following:

- Rail freight transport services on the main lines (Western, Eastern and Central Railway Lines)
- Passenger services on the main lines

Currently however, the services provided by the company are only limited to the following:

- Rail freight services between the Nsuta and Takoradi section of the Western Railway Line for the haulage of Manganese from the Nsuta mines for export through the Takoradi Port.
- Sub-urban rail services on the Accra-Nsawam and Accra-Tema lines (these services have currently been suspended temporarily for rehabilitation works on the tracks)

1.6 Political and Administrative Heads of the Ministry, Department and Agencies

i. POLITICAL & BUREAUCRATIC HEADS OF THE MINISTRY

Ministry of Railways Development	Political Head	Deputy Political Heads		Bureaucratic Head
Name	Joe Ghartey (MP)	Kwaku Agyenim Boateng (MP)	Andy Appiah-Kubi (MP)	Kwame Harry Adorbor
Period of Office	February, 2017 - Date	March, 2017 - Date	March, 2017 - Date	February, 2017 - Date

ii. HEADS OF DEPARTMENT AT THE NATIONAL LEVEL

S/N	Name of Department	Name of Bureaucratic Head	Substantive Grade	Period of Office
1.	Ghana Railway Development Authority	Mr. Richard Dombo	Acting Chief Executive Officer	April, 2017 - Date
2.	Ghana Railway Company Limited	Mr. John Essel	Acting Managing Director	March, 2015 - Date

PART TWO – HUMAN RESOURCE DATA AND ANALYSIS

2.1 *Staff Distribution*

The staff strength of the Ministry of Railways Development stood at forty-one (41) as at 31st December, 2018. This was made up of 30 Senior Staff and 11 Junior Staff who were distributed among the various Directorates and Units as follows:

- Finance & Administration	-	26
- Human Resource Management & Development	-	3
- Research, Statistics & Information Management	-	5
- Policy Planning, Monitoring & Evaluation	-	5
- Internal Audit	-	2
Total	-	41

As could be seen from **Table 1** below, the sex distribution of the Ministry is 25 Males with 16 Females.

Table 1. Age/Sex Distribution

AGE RANGE	20 – 30 YRS	31 – 40 YRS	41 – 50 YRS	51 – 60 YRS	60 YRS +	TOTALS
MALE	3	4	10	7	1	25
FEMALE	3	2	11	-	-	16
TOTAL	6	6	21	7	1	41

An analysis of the age distribution reveals that significant number (21) of staff fall within the 41 – 50 age bracket representing over 51.2% of the total staff strength, most of these are senior staff.

Seven (7) are above 50 years. However, only one (1) is on post-retirement contract. Meanwhile a total of twelve (12) are under 40 years.

2.2 *Staff Movements*

No recruitment exercise was carried out by the Ministry in 2018. However, the Ministry has submitted the final copy of its Organizational Manual to the Office of the Head of the Civil Service for approval. This will guide the recruitment process, in future.

Four (4) members of staff were promoted to various grades during the year, however, no Staff was upgraded or converted from one grade to another.

During the year 2018, the Ministry had sixteen (16) officers posted in and out of the Ministry. Out of the 16 postings, three (3) were posted out from the Ministry and they were all Directors. The thirteen (13) who were posted into the Ministry comprised the following category of staff:

Director	-	1
Asst. Programme Officer	-	2
Asst. Director IIB	-	1
Asst. Protocol Officer	-	2
Secretaries	-	3
Internal Auditor	-	1
Principal Executive Officer	-	1
Records Supervisor	-	1
Yard Foreman	-	1

A total of nine (9) Project Officers were seconded to the Ministry from the Ghana Railway Company Limited.

The Ministry had one officer who had been offered contract appointment in 2017 which will be ending November, 2019. The Ministry did not record any Staff exiting the Service through either retirement, resignation, dismissal, interdiction or death. Also no staff was granted Study Leave with or without pay during the reporting period.

2.3 Training and Development

Owing to the importance the Ministry attaches to human resource development, twenty-seven (27) officers, made up of twelve (22) males and three (5) females, both Senior and Junior Staff were sponsored to undergo Scheme of Service and Competency-based Training Programmes and thirteen (13) also participated in various Workshops, Seminars and Conferences during the year. These programmes were held locally and organized by the Civil Service Training Center, Ministry of Finance, GIMPA, the Office of the Head of the Civil Service, Internal Audit Service and Nu Image Communication. The training programmes were to enable staff to acquire the necessary knowledge, skills and competencies for effective and efficient work performance.

Furthermore, as part of efforts to continue to develop the human resource base of the Ministry, the Government of Ghana through its diplomatic relations with the Chinese Government was able to sponsor thirteen (13) officers (6 males and 7 females) and three (3) National Service Personnel to attend Seminars in the People's Republic of China. These Seminars offered opportunities to the beneficiary Staff to learn and observe best practices on railway operations and management among others from China to enhance their capacities in the performance of their duties.

One senior management member was sponsored by the Ministry to pursue a Masters in Public Sector Management at GIMPA for one (1) year.

The Ministry, having realized that some staff have challenges in completing the staff Performance Appraisal Forms, organized an in-house training for all staff and National Service Personnel. Also in collaboration with the Ghana National Fire Service, a Fire safety training was organized for all staff.

Funding for all local training programmes came from the Government of Ghana, whilst the foreign Seminars were funded by the Chinese Government.

PART THREE: PLANNED SECTOR PROGRAMMES AND DELIVERY

3.1 *Policy Objectives*

To provide a focus for Transport Sector policy makers and practitioners, the National Transport Policy (2008), which is currently under review, provides a clear framework for the sector and sets some seven (7) broad policy goals which reflect long-term objectives for the Transport Sector, including the Railway Sub-sector.

The seven (7) Policy Goals are as follows:

1. Establish Ghana as a Transportation Hub for the West African sub-region;
2. Create an accessible, affordable, reliable, effective and efficient transport system that meets user needs;
3. Integrate Land Use, transport planning, development planning, and service provision;
4. Create a vibrant investment and performance-based management environment that maximizes benefits for public and private sector investors;
5. Develop and implement comprehensive and integrated policy, governance and institutional frameworks;
6. Ensure sustainable development in the Transport Sector;
7. Develop adequate Human Resources and apply new technology.

3.2 *Operational Performance*

The Ministry is charged with the responsibility of providing an efficient and effective railway transportation services in the country. The existing railway network, which is partially operational, comprise 947km of route length connecting key centers of Accra, Kumasi and Takoradi with important mining sites in Awaso and Nsuta in the Western region. The network consists of the Western, Central and Eastern lines with a total track length of 1,300km.

Unfortunately, due to several decades of neglect and underfunding, the rail network is completely broken down, except for partial freight services on the Western line and some passenger commuter rail services on the Eastern line between Accra and Nsawam, as well as, Accra and Tema. These passenger services have however been suspended temporarily in order to rehabilitate the tracks to ensure safe and secure passenger services.

Meanwhile, the completion of the Sekondi – Takoradi via Kojokrom sub-urban railway line in 2017 has resulted in the restoration of passenger rail services between the twin cities of Sekondi and Takoradi.

The following key performance indicators provides a measure of how the Railway Sector performed in terms of service provision and infrastructure development and maintenance for the period January to December, 2018:

- Passenger Throughput
- Freight Traffic
- Length of Railway Line Rehabilitated
- Length of New Railway Lines Constructed
- Length of Railway Lines Maintained

Passenger Throughput

The total number of passengers carried by the Ghana Railway Company Limited from January to December, 2018 was 77,419 passengers against a target of 86,913 passengers. This represents a negative variance of 10.93% against the target for the period, that is, 86,913. The performance also represented a decline of 70.35% against 2017 recorded figure of 261,008 passengers.

Due to the temporal suspension of the commuter rail services between Accra – Tema and Accra – Nsawam in 2017, the only passenger services provided on the entire rail network was on the Takoradi – Sekondi via Kojokrom section of the Western line. The suspension of passenger train service on the rest of the network is largely due to the bad state of the tracks, as well as, other infrastructure.

However, passenger rail transport services on Accra – Tema, Accra – Nsawam and Takoradi – Tarkwa are expected to be restored in 2019.

Table 2 and **Figure 1** below show the respective tabular and pictorial view of passenger performance for the period under review.

Table 2. Railway Passenger Throughput

Indicator	Units	Jan-Dec 2017	Jan-Dec 2018 (Actual)	Jan-Dec 2018 (Target)	Variance as % of Target
Passenger Traffic	No. ('000)	261.08	77.42	86.90	-10.93%
	Pax-Km ('000,000)	5.10	0.63	-	-

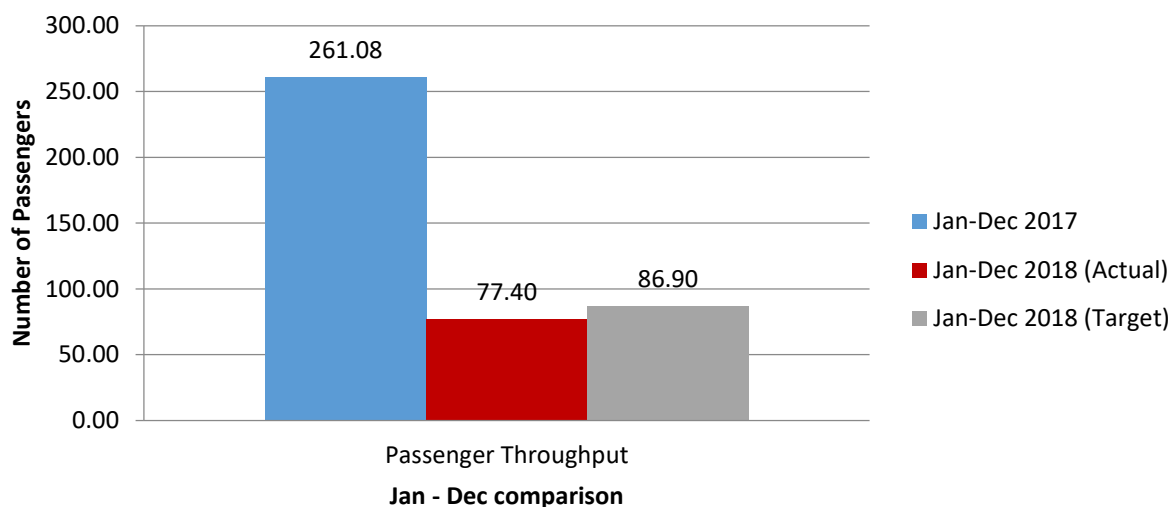


Figure 1. Rail Passenger Traffic Performance

Railway Freight Throughput

With respect to freight traffic, as could be seen from **Table 3** below, the GRCL hauled total of 708,279 tonnes of Manganese ore from Nsuta during the year under review. This represents a negative variance of 40.98% against a planned figure of 1,200,000 tonnes. This performance however represented an increase by 12.36% against the figure of 630,370 tonnes recorded in the corresponding period of 2017.

The only commodity hauled by GRCL on behalf of the Ghana Manganese Company Ltd. was manganese from the Nsuta mines to the Takoradi Port for export.

There were no railings for other freight commodities like bauxite, cocoa, timber, cement and flour and this was due to the poor condition of track and inadequate wagons.

Figure 2 beneath illustrates the performance of freight in a graphical format.

Table 3. Freight Traffic

Indicator	Units	Jan-Dec 2017	Jan-Dec 2018 (Actual)	Jan-Dec 2018 (Target)	Variance as % of Target
Freight Traffic	Tonnes ('000)	630.37	708.28	1,200	-40.98%
	Ton-Km (000,000)	39.71	44.62	-	-

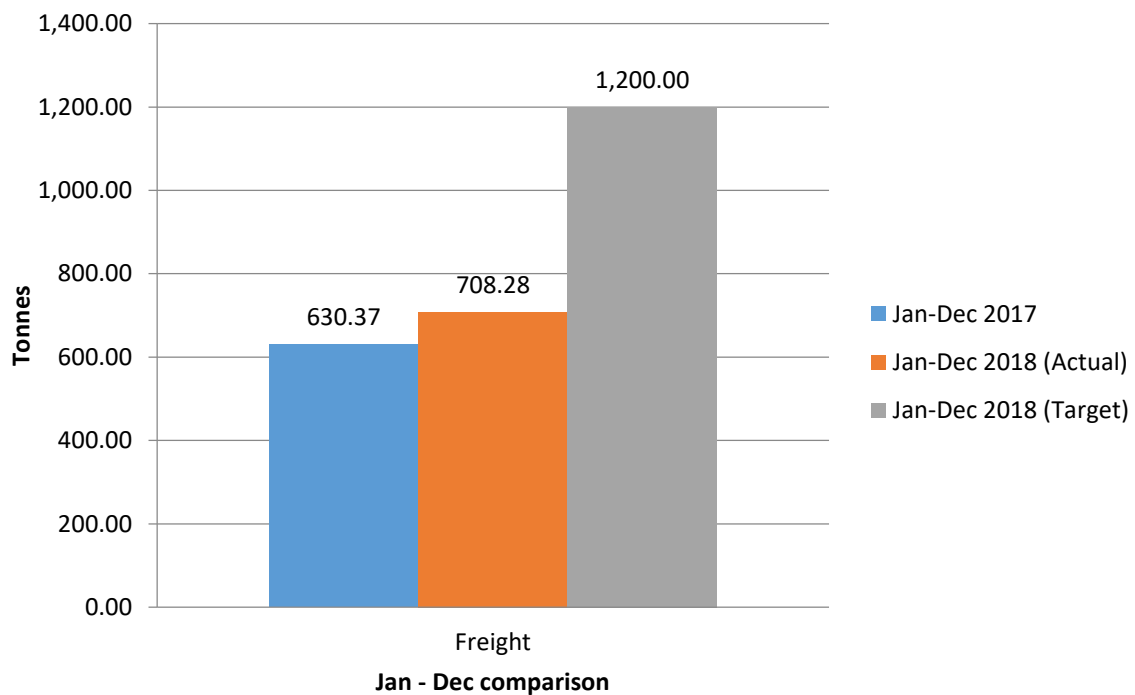


Figure 2. Rail Freight Traffic Performance

Length of Railway Lines Rehabilitated

As shown in Table 4 below, the total length of rail lines rehabilitated was 65.4km against the target of 100km during the year under review. The performance resulted in a negative variance of 34.6% against the target. During the same period in 2017, 5.20km of rail lines were rehabilitated. A graphical performance is depicted in **Figure 3** beneath.

Table 4. Length of Railway Lines Rehabilitated

Indicator	Units	Jan-Dec 2017	Jan-Dec 2018 (Actual)	Jan-Dec 2018 (Target)	Variance as % of Target
Length of Railway Line Rehabilitated	Km	5.20	65.4	100	-34.6%

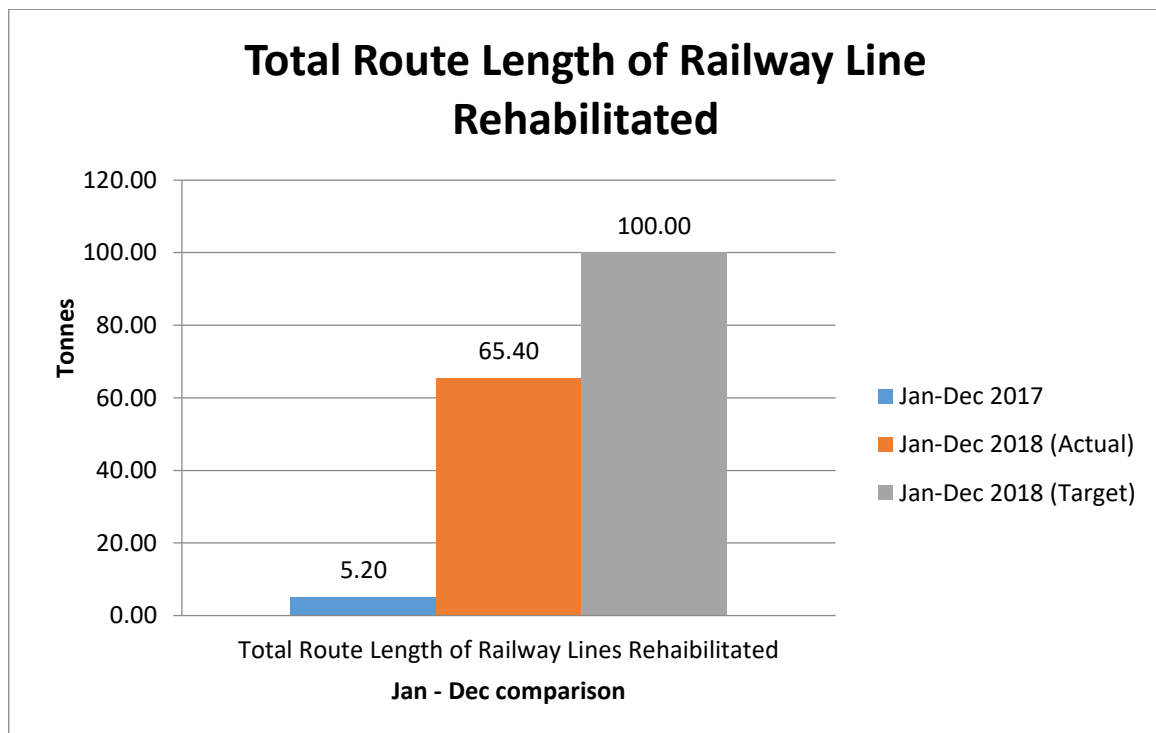


Figure 3. Length of Railway Lines Rehabilitated

Length of Railway Lines Maintained

From **Table 5** below, during the year under review, the total length of rail lines maintained was 71.70km equalling the target set for the year in terms of maintenance of railway lines. A graphical performance is depicted in **Figure 4**.

Table 5. Length of Railway Lines Maintained

Indicator	Units	Jan-Dec 2017	Jan-Dec 2018 (Actual)	Jan-Dec 2018 (Target)	Variance as % of Target
Length of Railway Line Maintained	Km	74.58	71.70	110.3	-35.0%

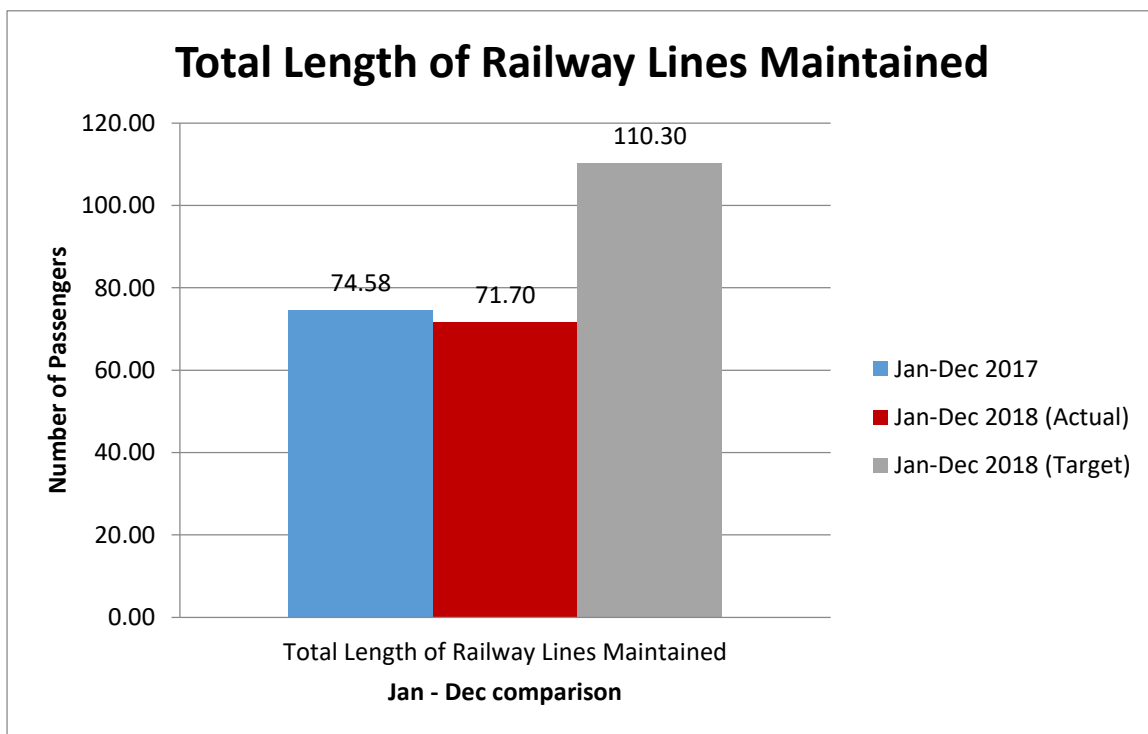


Figure 4. Length of Railway Lines Maintained

Length of New Railway Lines Constructed

The on-going construction of the Tema – Akosombo Railway line is expected to add an additional 97km of rail track length to the existing network by the time it is completed within a three year construction period. During the period under review ending December, 2018, the project was about 35% complete.

The on-going construction works for the extension of the standard gauge on the Western Line by 5km from Kojokrom to Eshiem was also about 35% complete.

Although the new railway lines under construction have progressed significantly during the year under review, the track works will be undertaken at the finishing stages of the works to determine actual length of railway lines constructed.

Train Incidents/Accidents

There were no major train incident recorded in 2018 on the passenger rail operations. However some minor incidents involving freight trains were recorded during the review period. A total of 52 minor incidents occurred.

The performance, in terms of accidents was an improvement on the previous year's (2017) figures as 83 minor incidents.

Revenue Generation

The total revenue generated from freight traffic during the period January to December, 2018 was GH¢19,391,426.49 against a target of GH¢32,636,192.69. From the passenger services, a total of GH¢129,498.00 was generated over the period against a target of GH¢173,826.00.

3.3 *Implementation Status for Projects and Programmes*

3.3.1 *Development of Takoradi - Kumasi Railway Line (Western Line)*

The Western Railway Line is the main stay of the Ghana Railway Company Limited. It provides economic and financial support for Ghana’s railway network. The Western Line is from the Takoradi Port to Kumasi with a branch line from Tarkwa to Prestea and also from Dunkwa to Awaso. It is the major route for the transportation of bulk commodities such as manganese, bauxite, cocoa, timber, cement, petroleum products etc. along the Takoradi to Kumasi corridor. The haulage of such bulk cargo on the line reduces the challenge of deterioration of roads as a result of transporting such heavy cargo on the roads.

Government, in its efforts to revamp the existing railway network to bring it back into full functionality, has commenced the rehabilitation of some sections of the Western Railway Line (narrow gauge). In January 2018, GRDA the asset owner on the policy direction of the Ministry, awarded a contract to GRCL to rehabilitate the 56km narrow gauge line from Kojokrom to Tarkwa through Nsuta. The rehabilitation works were undertaken by the workforce of GRCL and was about 90% complete as at the end of December, 2018. The completion of the rehabilitation works will lead to the restoration of passenger rail services from Tarkwa to Takoradi for the first time since 2007.

GRCL Workers undertaking Rehabilitation Works on Kojokrom – Tarkwa Line



The operation of freight service from the manganese mine, at Nsuta to Takoradi, would improve and the on-going rehabilitation has also led to the spectacular reduction of the number of derailments and incidents that occur on the line.

Works also commenced in January, 2018 for the construction of a standard gauge line from Kojokrom to Eshiem, a distance of about 5km. By the end of December 2018, the works were approximately 35% complete. Site clearing and formation/earthworks have been completed for 3km out the 5km. Essential materials for the works, including Concrete Sleepers and Rails/Bolts are also on order to be used for the works. The construction works are being undertaken by an Engineering, Procurement and Construction (EPC) Contractor, Messrs Amandi Holding Limited.

Construction of Kojokrom – Eshiem Line by Amandi Holding Ltd.



In February, 2018, a conditional Contract was signed with Messrs Amandi Holding Limited for the continuation of the standard gauge line on the Western Railway Line. The project spans a distance of about 17km from Eshiem to Manso. The following three (3) condition precedents needs to be fulfilled to make the contract effective:

- i. Obtaining the requisite approvals from the Public Procurement Authority
- ii. After financial arrangement to the satisfaction of the Ministry of Finance has been made
- iii. After Value-for-Money audit has been concluded by the Ministry of Railways Development

The Ministry of Finance released Commencement Certificate on 18th June, 2018 and the Public Procurement Authority also conveyed approval on 22nd June, 2018 in partial fulfilment of the condition precedents for the effectiveness of the contract. The final condition precedent, that is, Value-for-Money audit is being undertaken and a Report

has been submitted to the Ministry. The fulfilment of all conditions precedent would pave the way for the commencement of the project.

The final Design Vetting and Supervisory Services for the Kojokrom – Kumasi section of the Western Line is on-going. By the end of December, 2018, the following had been undertaken:

- Detailed topographical survey is completed
- Geotechnical & geological surveys between Takoradi – Tarkwa completed
- Alignment completed between Takoradi to Kumasi
- Infrastructure (Bridges/Culverts) completed between Takoradi and Manso
- Bill of Quantities completed up to Manso.

A proposal was submitted to the Ministry of Finance in July, 2018 for the utilization of part of the China Development Bank (CDB) loan facility for continuation of construction of the standard gauge on the Western Railway Line. The Ministry of Finance is in the process of finalising the arrangement with the CDB.

3.3.2 *Development of Accra - Kumasi Railway Line (Eastern Line)*

The Accra – Nsawam section of the Eastern Railway Line was until 27th June, 2017 used to operate passenger shuttle services. The line was closed due to the poor state of the tracks, which required comprehensive maintenance works to ensure safe and secure rail operations.

In October, 2017, the section of the line from Accra to Tema was also closed for rehabilitation after a derailment incident involving a passenger train. The closure of these lines led to the suspension of the commuter train shuttle services provided by GRCL.

The rehabilitation works are on-going on the Accra to Nsawam section of the line and is 90% complete. Works are expected to be completed fully in the first quarter of 2019; however test runs are being undertaken. Furthermore works on the Achimota to Tema section of the line was completed in December, 2018 and test runs commenced. The line is expected to be opened to traffic in January, 2019.

GRCL Workers undertaking Rehabilitation of Accra – Nsawam and Accra – Tema Line



Relayed tracks on sections of the narrow gauge Eastern Railway Line



Reconstruction of Culvert near Achimota Station



As part of the contract for the rehabilitation of the lines, fifteen (15) existing passenger coaches and locomotives are being refurbished by GRCL. Ten (10) coaches have so far been completely refurbished and the remaining are at various stages of completion. This will enhance passenger comfort when the sub-urban commuter services re-open on Accra – Nsawam and Kojokrom – Tarkwa lines.

Refurbishment of Passenger Coaches by GRCL



BEFORE



AFTER



BEFORE



AFTER

Refurbished Passenger Coach at the Takoradi Railway Station



Refurbished Locomotive



A new standard gauge line is to be developed from Accra-Tema to Kumasi with a branch line from Bososo to Kyebi to Atiwa. The Eastern Railway Line will be developed to modern standards (i.e. standard gauge) in order to provide an alternative, faster, safer and more efficient mode of transportation of passengers and freight from Accra-Tema to Kumasi.

This new standard gauge line will serve all the major towns between Accra and Kumasi, including the conference city of Koforidua. The new line will also support the exploitation of bauxite at Atiwa and will generally support the development of the new integrated aluminium and bauxite industry. The Port of Tema and an Inland Port at Boankra will also be served by the new standard gauge Eastern Line.

The reconstruction of the Eastern Railway Line will include financing, development and operation of the new standard gauge line and will also include the provision of rolling stock, station upgrades, signalling and telecommunication equipment.

Transaction Advisors, Messrs PricewaterHouseCoopers (Ghana) Limited (PwC) Ltd., was engaged with funding by the World Bank to undertake Pre-feasibility and Feasibility Studies and go through a procurement process to select a private sector investor(s) to partner Government to undertake the construction of the Eastern Railway Line on a Public-Private Partnership (PPP) Basis.

Following a successful Market Sounding event in December, 2017, which was attended by over 300 investors and stakeholders, the Ministry, with the assistance of the Transaction Advisors (PwC Ghana Ltd), proceeded to the procurement phase of the assignment in February, 2018. Expression of Interest (EOI) was the first stage of the process, leading to the shortlisting of 36 firms out of the 45 firms that expressed interest. This was followed by the Request for Qualification (RFQ) stage where 14 firms were pre-qualified for the Request for Proposals stage in June, 2018.

Request for Proposal (RFP) documents were issued to the 14 pre-qualified firms in July, 2018 with an initial deadline for submission of both Technical and Financial Proposals slated for 27th August, 2018. However, In view of the several requests from Bidders, the deadline was extended by an additional four (4) weeks ending 11th October, 2018.

Prior to the Bid submission deadline, the Ministry hosted a Pre-Bid Conference for Bidders in Accra on 31st July, 2018. The purpose of the Pre-Bid Conference was to clarify any part of the Bidding Documents and/or the Bidding Process and to answer any relevant questions from Bidders regarding the Bidding Documents, or such other relevant issues that the Bidders may raise relating to the Project.

Furthermore, the Ministry organised site visits from 11th to 13th September, 2018 and Bidders were taken along the existing Eastern Railway corridor from Accra to Kumasi. The purpose of the site visits was to enable Bidders obtain a first-hand view of the existing situation on the Eastern Railway Line to facilitate the preparation of their Technical and Financial proposals for its re-development of the line on a Build, Operate and Transfer (BOT) basis.

Site Visit on the Eastern Railway Line by Bidders



By the deadline of 11th October, 2018, eight (8) out of the fourteen (14) pre-qualified firms submitted Technical and Financial Proposals for evaluation.

Bid Opening Session after Submission of Technical and Financial Proposals



The evaluation of the Technical Proposals were concluded in December, 2018 and as part of the process, there were further presentation session at the Ministry of Finance to obtain clarification and additional information from the Bidders.

The procurement process is expected to be completed for the construction works to commence by the beginning of the second quarter of 2019.

3.3.3 Development of Kumasi - Paga Railway Line (Central Spine)

This is a 595km Greenfield Project which seeks to develop a railway line from Kumasi to Paga. The overall objective of this Project is to improve rail and logistics infrastructure as part of an integrated transport network in Ghana, helping to improve services to customers and reducing the cost of transportation, especially, in trade to and from the hinterland and the Northern regions of Ghana, as well as, Ghana's Sahelian neighbours.

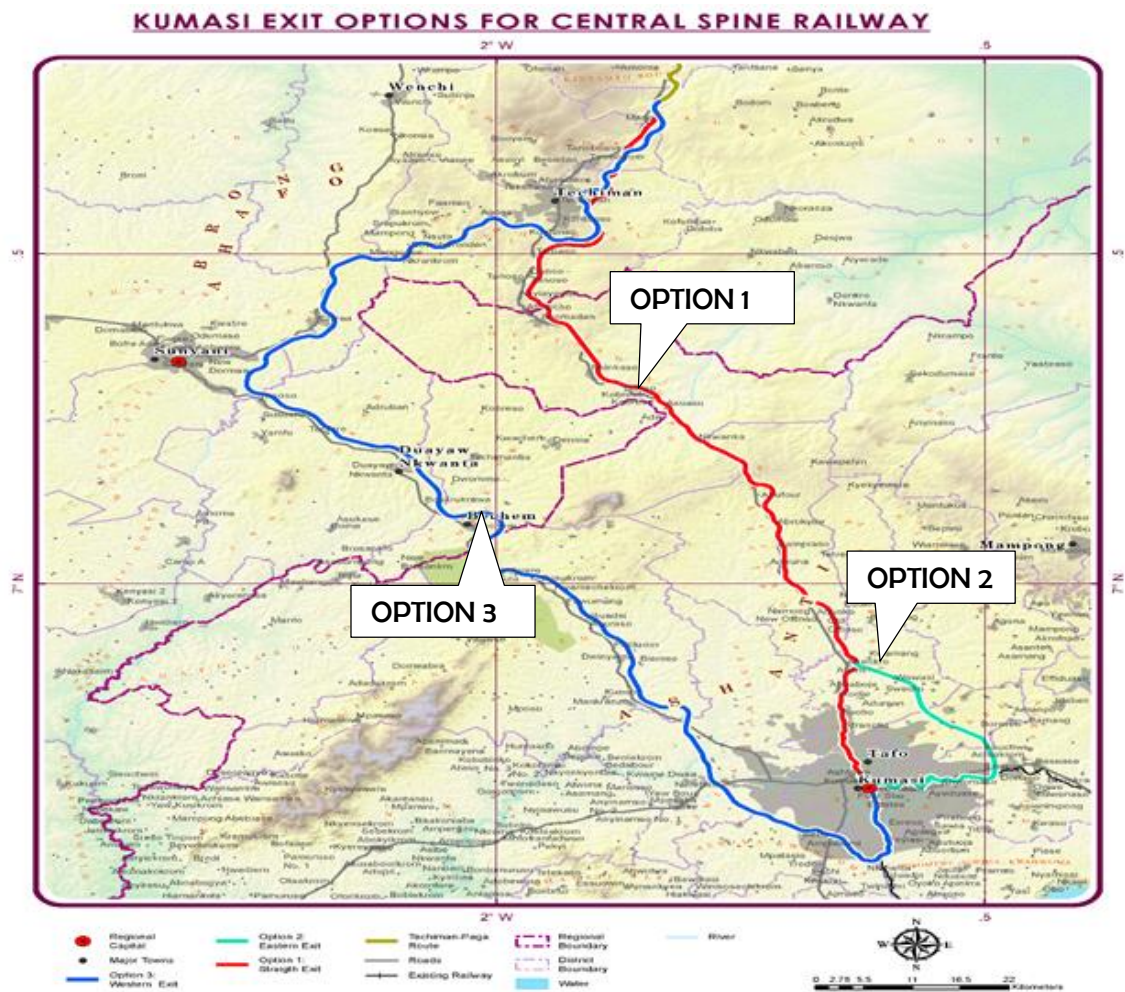
The development however requires financial, economic, environmental and social feasibility including surveying and mapping out of the right of way for the railway line to prepare a bankable document before the procurement of a Contractor for the development of the rail line.

In this regard, a consulting consortium made up of Vision Consult (Ghana), ILF (Germany) and Gauf (Germany) was engaged in December, 2017, after going through a competitive procurement process, to undertake the feasibility studies towards the development of the railway line.

Further to the submission of an Inception Report to the Ministry in March, 2018, the consortium, in June, 2018 also submitted an Analysis Report, including Route Options for the line as depicted in the next map on page 30.

A Memorandum has been submitted to Cabinet for approval on the corridor, meanwhile the Ministry in collaboration with the Ministry of Finance is making funding arrangements for the development of the line.

Route Options for the Central Spine



3.3.4 Development of Tema – Mpakadan (Akosombo) Railway Line

An Engineering, Procurement & Construction (EPC) Contract was signed in November, 2016 between Messrs AFCONS Infrastructure and GRDA for the construction of approximately 97km railway line from the Tema Port to link the Volta Lake as part of a multi-modal transport system to facilitate the transfer of containerised cargo by rail to and from the Tema Port.

The right-of-way acquisition is on-going and as at the end of June 2018, 70% of the land required for the development of the project had been acquired. This exercise has so far been very successful due to the Ministry’s continuous engagement with stakeholders along the route to sensitize them on the on-going project.

Stakeholder engagements and Sensitization Exercises by Hon. Minister



Site clearance, earthworks and other civil works have subsequently commenced whiles equipment, including a Concrete Sleeper Plant are on order to facilitate the rapid execution of the project. The overall percentage of work completion was 25% as at the end of December, 2018. The Contractor assures us that it is on course to meet its completion deadline of the second quarter of 2020.

Formation and Civil Works on the Tema – Mpakadan (Akosombo) Line by AFCONS Infrastructure Ltd.



3.3.5 Ghana – Burkina Faso Railway Interconnectivity Project

The Governments of the Republic of Ghana and Burkina Faso, led by their respective leaders, H. E. Nana Addo Dankwa Akufo-Addo and H. E. Roch Marc Christian Kabore, during a state visit to Burkina Faso in May 2017 agreed that a rail interconnectivity between the two West African neighbours is an important factor to accelerate economic growth and development for the mutual benefit of the two nations. The vision to link Ghana and Burkina by rail to facilitate trade and accelerate economic development is in line with Ghana’s Railway Master Plan of 2013.

In furtherance to the agreement by the two Heads of States, a Joint Committee of Experts has been established through a Memorandum of Understanding between the two states to facilitate the implementation of railway interconnectivity that will facilitate trade and development between the Republic of Ghana and Burkina Faso.

The two countries, upon the recommendation of the Joint Committee of Experts, agreed on the need to engage a Transaction Advisor, whose role will be to assist the Governments of the Republic of Ghana and Burkina Faso to review/undertake various studies, including survey works and also go through a procurement process in line with applicable laws of the two countries to engage a private sector investor(s) to develop the proposed railway interconnectivity project between the Port of Tema and Ouagadougou, on a Build, Operate and Transfer (BOT) basis.

The Joint Committee further agreed that the Ghanaian side would procure a Transaction Advisor whose mandate will stretch to cover the whole project. The Committee, realizing the exigencies of the timelines, recommended the adoption of the most efficient method of procurement, such as sole-sourcing or restrictive tendering process for the engagement of the Transaction Advisor.

The Ministry, therefore, in line with Section 40 (1) (b) of the Public Procurement Act, 2003 (Act 663) as amended sought and obtained approval for the single-source procurement of a consortium made up of Messrs Team Engineering S.p.A of Italy and Vision Consult Limited of Ghana to provide Transaction Advisory Services for the Ghana – Burkina Faso Railway Interconnectivity Project. Following successful negotiations, the Contract for the Transaction Advisory Services was signed on 16th November, 2018 in Accra.

Signing of Contract for Transaction Advisory Services for Ghana – Burkina Line



The selected route/alignment for the railway interconnectivity project starts from Mpakadan (Akosombo) where the on-going construction of railway line from the Tema Port terminates along the Volta Lake. The proposed railway line will then go through Ho, Hohoe, Jasikan, Nkwanta, Bimbila, Yendi (about 468km). The line continues from Tamale, Walewale, Bolgatanga, Navrongo and link Burkina Faso at the Paga – Dakola border (about 212km).

The route/alignment on the Burkina Faso side starts from Ouagadougou through Kombissiri, Manga, Beguedo, Garango, Tenkodogo, Bagre, Zabre, Po, Dakola to Paga, covering a total distance of about 320km.

The project is being carried out in four (4) phases and the first two phases are expected to be carried out within nine (9) months commencing January, 2019.

Meanwhile, at a meeting held in April, 2018 in Ouagadougou, the Joint Committee of Experts agreed to accelerate the implementation of the project by simultaneously publishing Expression of Interest advertisements to invite interested private sector investors to partner the Governments of the Republic of Ghana and Burkina Faso to develop the railway interconnectivity project on Build, Operate and Transfer (BOT) basis.

Although this process was to be undertaken at the second phase of the Transaction Advisory assignment, this strategy was adopted in order to avoid delays in the procurement process for the private sector partner.

Following the publication of the Expression of Interest advertisements simultaneously in Ghana and in Burkina Faso, a total of sixteen (16) firms expressed interest to undertake the project on BOT basis. Twelve (12) out of the sixteen (16) firms/consortia met the minimum evaluation criteria and have been shortlisted for the second phase of the procurement process, that is, the RfQ stage and this will be carried out in January, 2019.

3.3.6 Development of Metro/Light Rail System in Accra and Kumasi

Over the years, due to urban sprawl and increasing mobility needs of the people, the cities of Accra and Kumasi are getting choked with congestion and unbearable traffic conditions.

There is no doubt that there is a dire need for a rail-based mass rapid transport system in the cities to take the traffic off the roads and provide fast and efficient movement of people. The Ministry is therefore perusing a program which promotes the development of a rail-based mass transit system on priority corridors in Accra and Kumasi through strategic partnership arrangements with the private sector. This will support the suburban rail service from Accra to Tema and Accra to Nsawam and also road transport services.

By the end of December, 2018, the Ministry signed Contracts with Transaction Advisory Firms, Messrs Systra/Transtect and Messrs PwC (Gh) Ltd. after going through the procurement process to provide Transaction Advisory services for the development of Metro/Light Rail Transit Systems in Accra and Kumasi respectively.

3.3.7 Feasibility Studies for the Development of the Railway Line from Aflao to Elubo (Trans-ECOWAS Line)

The Ministry in collaboration with the Ghana Railway Development Authority published advertisements in April, 2018 for Consultancy Services for Feasibility Studies for the Development of the Railway Line from Aflao to Elubo (Trans-ECOWAS Line).

The overall objective of this project is to undertake a feasibility study for the development of a railway line from Aflao through Tema, Takoradi to Elubo.

The feasibility study will involve economic, financial, social, environmental assessment, as well as, the survey/mapping out the right-of-way of the corridor in order to develop a business case to attract private sector interest in the development of the line.

After going through the procurement process, Contract was awarded and signed with m/s MR Technofin Consultants Ltd in December, 2018 for the study, which is expected to be completed within a seven (7) month period.

3.3.8 Feasibility Studies for the Re-development of the Railway Line from Kotoku to Huni Valley (Central Line)

The Ministry of Railways Development in collaboration with the Ghana Railway Development Authority published advertisements in April, 2018 for Consultancy Services for Feasibility Studies for the Re-Development of the Railway Line from Kotoku to Huni Valley (Central Line).

The objective of this project is to undertake a feasibility study of the railway line from Kotoku on the Eastern Line to Huni Valley on the Western Line, which has been closed over 15 years ago, in order to assess or determine the financial, socio-economic and environmental viability of the line to justify its re-development.

The feasibility study will involve economic, financial, social and environmental assessment of the existing line and the development of a business case that could attract private sector interest in its re-development.

The procurement process has been completed and was at the negotiation stage with m/s ABP as at the end of December, 2018.

3.3.9 Rehabilitation of Railway Training School and Location Workshops

The GRCL operates a Railway Central Training School located at Sekondi in the Western Region of Ghana. The School was established to train the staff of GRCL to enable them operate efficient railway system.

The areas of training include the following:

- ❖ Maintenance of locomotives and wagons including passenger coaches.
- ❖ Maintenance of tracks
- ❖ Maintenance of Signal & Telecommunications.
- ❖ Traffic operations
- ❖ Others

The School, which was previously in a bad state due to poor maintenance, has received a major facelift.

As at the end of December, 2018, the first phase of the school rehabilitation project was over 90% completed and the Ghana Railway Company Limited started using the facility to run in-house training programs for its staff.

Rehabilitation of Railway Training Institute located at Essikado
Before **After**



Additionally, in the course of 2018, GRCL commenced processes for a partnership arrangement with the Tarkwa School of Mines through a Memorandum of Understanding (MOU) to use the facility to train staff of the Company and the general public in various fields of engineering and other ancillary studies.

Signing of MoU with UMAT



The Railway Location Workshop, also situated at Sekondi, is the main workshop for the maintenance of locomotives, wagons, coaches and other equipment for efficient operation of railway services in Ghana. The Workshop is also being upgraded and equipped for it to become a one stop workshop to serve the railway, mining, petroleum and agricultural industries in the Western Region.

By the end of December, 2018, rehabilitation of two (2) out of the seven (7) workshops had been completed.

Rehabilitation of Railway Location Workshop



3.3.10 Review of Railway Master Plan (2013)

In 2013, the Railway Master Plan was completed and subjected to stakeholder consultations. The Railway Master Plan is to guide the systematic and effective development of the Railway Network in the country and thus, proposing an increase of the network from the existing 947km to about 4000km.

The Railway Master Plan is being reviewed to meet present demands and also to expand the rail network to create an efficient rail transportation link to important mineral potentials and centers of economic development such as free zone enclaves and industrial parks.

As a policy direction, all capital towns in the country are eventually to be linked by rail line. Specifically, as per the review assignment the proposed extensions (branches) of the rail network totaling approximately 260km involve the following:

Western Line:

- Eshiem – Shama (20km approx.)
- Oppon Valley to Oppon Mansi (6km approx.)

Eastern Line:

- Kaase – Ofinso (20km approx.)
- Ejisu – Ofinso (20km approx.)
- Busoso – Kibi (12km approx.)

Eastern Expansion:

- Tema – Akosombo (from kilometer 70 to cross the Volta River to opposite side at Mpakadan; 20km approx.)

Trans-ECOWAS Expansion:

- Takoradi – Elubo (160km approx.)

The Ghana Railway Development Authority went through the procurement process in line with the Public Procurement Act 2003 (Act 663) as amended and signed a Contract with a Consultant m/s Team Engineering S.p.a of Italy in August, 2018 for the review assignment. The Consultant submitted an Inception Report was reviewed by key stakeholders in December, 2018.

3.3.11 Associated Infrastructure Development (from Stations-to-Cities)

As part of Government policy to develop every town through which the rail line passes, the Ministry, under its “Stations-to-Cities” programme, plans to commence in 2019, developing associated infrastructure along all the major cities through which the rail line passes.

To this end, the Ministry sought and obtained the approval of the Public Procurement Authority to engage the services of Messrs Adjaye & Associates to be engaged to develop Conceptual Designs for the development of the Accra Railway Station as part of the overall concept for the “Stations-to-Cities” project.

3.4 Financial Performance

The summary of the 2018 Budget Performance for the Ministry of Railways Development and its Agencies is as indicated in **Table 6** below:

Table 6: 2018 Approved Budget and Disbursement by the Ministry as at 31st December, 2018

	SOURCE	APPROVED BUDGET (GH¢)	ACTUAL RECEIPTS (GH¢)	ACTUAL EXPENDITURE (GH¢)	VARIANCE (GH¢)
1	GoG				
	Compensation of Employees	5,000,000.00	1,237,010.47	1,237,010.47	3,762,989.53
	Use of Goods & Services	3,869,620.00	2,515,253.00	2,515,253.00	1,354,367.00
	Capex	150,000,000.00	101,657,544.19	101,657,544.19	48,342,455.81
2	IGF	2,147,640.00	1,165,338.40	1,068,725.86	982,301.60
3	DEV'T PARTNERS				
	Exim Bank Loan	383,280,000.00	496,933,542.61	496,933,542.61	-113,653,542.61
	TOTAL	544,297,260.00	603,508,688.67	603,412,076.13	(59,211,428.67)

During the period under review, as could be seen from **Table 6** above, a total amount of GH¢544,297,260.00 was approved as the Ministry's 2018 Annual Budget for the implementation of the sector's projects, programmes and activities. Out of this amount, GH¢5,000,000.00 was earmarked for the payment of Compensation; GH¢3,869,620.00 for Goods & Services; GH¢2,147,640.00 for IGF and GH¢150,000,000.00 for Capital Expenditure items. The remaining amount of GH¢383,280,000.00 was allocated under the Indian Exim Bank loan facility for the implementation of the Tema – Akosombo Railway Line project.

Between the period January to December, 2018, a total amount of GH¢602,343,350.27 was released by the Ministry of Finance and spent on various expenditure items under Compensation, Goods & Services and Capex and GH¢1,165,338.40 Collected by GRDA as IGF and an amount of GH¢1,068,725.86 was spent. There is however, an outstanding commitment of GH¢49,920,326.45 submitted to Ministry of Finance, thus, bringing the total expenditure to GH¢652,263,676.72. Therefore there will be a negative variance of GH¢59,211,428.67 which arose as a result of the over release on the Tema – Akosombo Rail Line Project of an amount of GH¢113,653,542.61 as indicated in Table 6 above.

PART FOUR: CHALLENGES

4.1 *Human Resource Capacity Challenges*

The Ministry, upon its creation in February, 2017 started operating from the Hon. Minister's Office at Parliament until it was allocated an old Office Block previously occupied by the Ministry of Communications. The Ministry is currently challenged by its limited office space and therefore is unable to engage additional officers to augment its limited staff strength of forty-one (41).

Similarly, GRDA is faced with challenges with Office Accommodation and Staffing levels which is having dire impacts on the performance of the Railway Sector. The Public Services Commission (PSC) has conveyed approval for the recruitment of some requisite staff to strengthen the capacity of GRDA and the Ministry of Finance has accordingly issued financial clearance for the engagement of the staff. The Authority has currently engaged thirty (30) key staff to augment its staff strength.

GRCL is also faced with human resource challenges. GRCL's staff strength is currently 1,247. The Company lacks adequate technical staff, such as engineers to support the operations and maintenance of efficient rail system in the country. In order to address this challenge, a number of young Engineers have recently been recruited on contract basis and are currently going through capacity development to augment the staff strength, especially, at the Engineering Department of the Company.

4.2 *Legal, Regulatory and Institutional Regime*

The Ministry, in line with what prevails in the transport sector and other sectors in Ghana as well as international best practices, has therefore initiated a restructuring process to decouple the regulatory functions from the infrastructure ownership and management functions of GRDA.

This will result in the establishment of new institutions; for regulation and for asset ownership.

4.3 *Operational Challenges*

In recent times, the operations of GRCL has declined to an unacceptable level making it difficult to run as a business entity. Owing to poor tracks, obsolete equipment and rolling stock, two (2) commuter train services on the Eastern Railway Line, that is Accra – Tema and Accra – Nsawam had to be suspended in the course of 2017 for safety and security reasons. Most of the coaches that are used to operate the commuter services have deteriorated and require refurbishment before being put back into service.

The haulage of bauxite and other commodities on the Western Railway Line have ceased since May 2011 due to the poor condition of the tracks. GRCL is unable to meet its targets for the haulage of manganese, which is currently the only freight commodity hauled by rail from Nsuta to the Takoradi Port for export. This is also due to the bad state of the tracks affecting the turnaround time of the wagons.

In effect only 56km out of a total track length of 947km is in operation as at the end of 2018.

4.4 *Finance*

Inadequate budgetary allocation and delays and or failing to release has been a serious challenge.

4.5 *Other Developmental Challenges*

Encroachment on railway properties is seriously affecting operations and development of the railway sector. For a long time, the neglect of the railways sector has been accompanied by encroachments, vandalism and abuse from the general public. The general public as well as stakeholders have taken over railway assets with impunity.

PART FIVE: FORWARD LOOK FOR 2019

5.1 *Western Railway Line*

The rehabilitation of the Kojokrom to Tarkwa section of the Western Line (narrow gauge) will be completed and the passenger service between Sekondi-Takoradi and Tarkwa will be resumed by the second quarter of 2019. The rehabilitated line will also lead to a more effective and efficient freight services on the section of the Western Line.

The construction of new standard gauge line from Kojokrom to Manso, a distance of about 22km will continue in 2019.

The construction of the remainder of the Western Line from Manso to Kumasi, with a branch line from Dunkwa to Awaso will be pursued in 2019 by the Ministry as part of the systematic approach for the construction of a new standard gauge Western Line.

5.2 *Eastern Railway Line*

The rehabilitation of the Accra to Tema and Accra to Nsawam Sections (narrow gauge) will be completed by the first quarter of 2019. The rehabilitation works will also continue to Koforidua in 2019.

The procurement process to develop a new standard gauge line for the Eastern Railway Line from Accra-Tema-Kumasi with a branch line from Busoso to Kyebi having a total distance of about 340km will be concluded by the end of the first quarter of 2019. Government will complete negotiations with the most preferred Concessionaire following the completion of the current on-going procurement process to develop the project on a Build, Operate and Transfer (BOT) basis.

5.3 *Kumasi – Paga Railway Line (Central Spine)*

The construction of the Kumasi to Buipe section of the Central Spine will commence in 2019. The source of funding is CDB.

5.4 *Tema – Mpakadan (Akosombo) Railway Line*

Monitoring and Evaluation, as well as, community engagements will be enhanced in 2019 in order to ensure the timely and successful completion of the works in 2020.

5.5 *Ghana - Burkina Faso Rail Interconnectivity Project*

The feasibility study by the Transaction Advisors will commence and be completed in 2019.

The international competitive procurement process, which started in 2018 will be completed in 2019 to pave way for the construction works to commence by the private sector Concessionaire. A shortlist of twelve (12) prospective Consortium have been shortlisted following an Expression of Interest process in May, 2018.

5.6 *Metro/Light Rail Transit System*

The feasibility study for a metro/light rail transit system in Accra and Kumasi will be completed by Government. PowerChina Synohydro will complete their feasibility study and commence negotiations for the construction of the light rail system in Accra.

African Investor and Ghana Investment Infrastructure Fund will complete their feasibility study for the construction of the Skytrain.

The vision will be pursued in 2019 to address the negative impacts of congestion in Accra and Kumasi.

5.7 *Aflao – Elubo Railway Line (Trans-ECOWAS Line)*

The feasibility study will be completed to pave way for the development of the line, starting with the Accra – Takoradi section.

5.8 *Kotoku – Huni Valley Railway Line (Central Line)*

The line has been in existence but not operated for over fifteen (15) years. Feasibility studies will therefore be completed to determine the viability for its re-development.

5.9 *Development of the Railways Training Institute and Location Workshop*

One of the key priorities of the sector is human resource development. In this regard, the rehabilitation and upgrade of the Railway Training Institute into a tertiary institution to support the railway industry and provide engineering and other railway related courses, will be completed.

The Ministry entered into a Memorandum of Understanding (MoU) with George Grant University of Mines & Technology on 15th May, 2018 to initiate the process of a collaboration between the two to revive the Railway Institute into a technical university.

The Ghana Railway Company Limited is the implementing agency for this MOU. The parties are currently in the process of developing the academic curricular and programs to be run at the Institution, and it is the expectation of the Ministry that the first batch of students will be admitted into the school in 2019.

The Railway Location Workshop is also being modernized and equipped to become a one stop workshop to serve the railway, mining, petroleum and agricultural industries in Ghana. The remaining five (5) workshops will be upgraded and equipped in addition to the two (2) which has been completed.

5.10 *Review of Master Plan*

The Review of the Master Plan will be completed. A new Railway Master Plan will be adopted.

5.11 *Development of Branch Line*

In accordance with the policy of Ghanaian participation and to develop Ghanaian expertise and capacity in the railways sector, Contracts for the construction of a number of branch lines will be awarded to Ghanaian contractors. This will start with the approximately 23 kilometer branch line between Inchaban Nkwanta and Shama Free Zone Enclave on the Western Line.

5.12 *Rolling Stock*

In view of the massive construction of rail lines envisaged in 2019 and beyond, efforts will be made by the Ministry to commence the procurement process for the acquisition of a number of rolling stock for the various lines to be constructed.

5.13 Institutional Reform

2019 will also witness the implementation of the institutional reform program for the sector. Two (2) new institutions will replace the Ghana Railway Development Authority. This will be the Ghana Railways Regulatory Authority, which will be the regulator of the sector and the Ghana Railways Infrastructure Company which will be the asset holder on behalf of Government.

An Eastern Railway Company Limited will also be established to hold the interest of Government in the Special Purpose Vehicle which will be established with the BOT investor on the Eastern Line.

5.14 Monitoring and Community Relations

Due to the increased activities in the sector, the Ministry, in 2019, will increase its monitoring of the various projects. There is also the need for increased interaction with the various communities which the rail line will be passing.

5.15 Associated Infrastructure

As part of government policy to develop every town through which the rail line passes, the Ministry, under its “stations-to-cities” programme, plans to commence, in 2019, development of associated infrastructure along all the major cities through which the rail line passes. Work has already commenced with the development of the Tarkwa Railway Station in the Western Region.