COMPOSITE REPORT – PIAC’S 2017 DISTRICT ENGAGEMENTS & PROJECT INSPECTIONS

By:

PIAC

OCTOBER, 2017
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## List of Acronyms

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<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABFA</td>
<td>Annual Budget Funding Amount</td>
</tr>
<tr>
<td>AESL</td>
<td>Architectural and Engineering Services Limited</td>
</tr>
<tr>
<td>DCE</td>
<td>District Chief Executive</td>
</tr>
<tr>
<td>DFR</td>
<td>Department of Feeder Roads</td>
</tr>
<tr>
<td>DPO</td>
<td>District Planning Officer</td>
</tr>
<tr>
<td>GHA</td>
<td>Ghana Highways Authority</td>
</tr>
<tr>
<td>GHF</td>
<td>Ghana Heritage Fund</td>
</tr>
<tr>
<td>GPF</td>
<td>Ghana Petroleum Fund</td>
</tr>
<tr>
<td>GSF</td>
<td>Ghana Stabilisation Fund</td>
</tr>
<tr>
<td>IPC</td>
<td>Interim Payment Certificate</td>
</tr>
<tr>
<td>MASLOC</td>
<td>Microfinance and Small Loans Centre</td>
</tr>
<tr>
<td>MMDAs</td>
<td>Metropolitan, Municipal and District Assemblies</td>
</tr>
<tr>
<td>MPO</td>
<td>Municipal Planning Officer</td>
</tr>
<tr>
<td>PA</td>
<td>Petroleum Agreement</td>
</tr>
<tr>
<td>PIAC</td>
<td>Public Interest and Accountability Committee</td>
</tr>
<tr>
<td>PRMA</td>
<td>Petroleum Revenue Management Act</td>
</tr>
<tr>
<td>TOR</td>
<td>Tema Oil Refinery</td>
</tr>
<tr>
<td>VO</td>
<td>Variation Order</td>
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</table>
EXECUTIVE SUMMARY

The Public Interest and Accountability Committee (PIAC) in an effort to give meaning to its mandate on compliance monitoring, and in response to demands by citizens to verify the existence and quality of projects funded with the Annual Budget Funding Amount (ABFA), undertook physical monitoring of about forty (40) ABFA projects across the country.

This was aimed at gathering and obtaining first-hand information on the quality and impact of projects funded with petroleum revenues at the sub-national levels.

Key Findings

Below is a summary breakdown of projects and costs by Priority Areas and Regions visited:

<table>
<thead>
<tr>
<th>Priority Area</th>
<th>Project Type</th>
<th>Greater Accra</th>
<th>Ashanti</th>
<th>Eastern</th>
<th>Volta</th>
<th>ABFA Portion GH₵</th>
<th>Total Contract Sum (where available) GH₵</th>
<th>Revised Sum (where available) GH₵</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads and other infrastructure</td>
<td>Roads =21</td>
<td>4</td>
<td>8</td>
<td>4</td>
<td>5</td>
<td>81,529,921.76</td>
<td>334,271,809.07</td>
<td>395,379,801</td>
</tr>
<tr>
<td>Bridges = 2</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td></td>
<td>2,925,759</td>
<td>1,149,381.94</td>
<td>5,192,338</td>
</tr>
<tr>
<td>Education =13</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td></td>
<td>44,823,861.29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy = 1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5,983,286</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Markets = 1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3,475,685.47</td>
<td>8,841,032.81</td>
<td>24 mil (as at 2015)</td>
</tr>
<tr>
<td>Water Supply = 1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>678,110.10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sea Defence = 1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>23,612,716</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture Modernisation</td>
<td>Irrigation = 1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>570,903.80</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1: Summary breakdown of projects and costs

In almost all cases, interactions with beneficiaries and local authorities revealed that there is no involvement of communities and beneficiary institutions in the project selection and/or implementation, making tracking and demand for accountability difficult. For example, at Apedwa Primary School, the Assembly was unaware of the existence of the project until the PIAC team arrived.

PIAC is concerned about the paltry sums allocated to certain key projects which do not contribute significantly to the total cost of these projects. For instance GH₵ 15,323 was allocated for the surfacing of Fomena town roads and a similar amount for the rehabilitation of the Nakori Dam. This makes impact evaluation problematic.
Delays in the execution of some projects, particularly roads, have resulted in substantial cost variations running into millions of Ghana Cedis with associated effects on value for money. A cost impact analysis of selected delayed projects is shown in figure 1 below:

**Figure 1: Cost Impact of Delayed Projects**

Figure 1 indicates a sample of eleven projects and the varying cost impact of delays and timely execution of projects. It would be noted, for instance, that Bitumen Surfacing of New Tafo-Nobi-Samlesi-Anwiabeng Feeder Road which was executed on schedule (2012-2014) resulted in cost savings of GH₵360,969.29 from the analysis of contract documents from the Feeder Roads Department. On the contrary, contract documents from the Ghana Highways Authority revealed for instance that the Anyinasu-Sekyeredumasi Road which delayed for three years (started: 2011, initial completion: 2013, revised completion: 2016) attracted a cost of GH₵28,856,866.71 in fluctuations and variations.
Construction/rehabilitation of school buildings without provision of equipment and relevant resources for learning is of little impact. A Six-unit Classroom Block at Bishop Herman SHS for example where even louvres had not been fixed and no furniture provided. This is a rampant occurrence in a number of educational facilities inspected.

Over 50% of school projects inspected showed signs of serious deterioration in less than three (3) years after completion. A Six-unit Classroom Block at Apedwa SDA Primary School in East Akim District was almost sinking due to poor siting and shoddy work according to authorities of the school whilst several attempts by PIAC to obtain further details on these projects from the Ministry of Education has proved futile.
1.0 BACKGROUND AND RATIONALE

1.1 PIAC as an Accountability Institution

The Public Interest and Accountability Committee (PIAC) is a civil society based statutory body established under Section 51 of the Petroleum Revenue Management Act (PRMA), Act 815 (2011) to provide an independent oversight over the collection, allocation and utilisation of Ghana’s petroleum revenue. The Committee is made up of thirteen (13) members, each representing a constituency and is supported by a Secretariat.

PIAC as an accountability institution has a three-fold mandate as outlined in the PRMA:

1. Compliance Monitoring with the Act;
2. Provision of Platform for Public Debate on Spending Options of Petroleum Revenues; and

As a statutory public oversight institution committed to ensuring efficient, transparent and accountable management of Ghana’s petroleum revenues through active engagement with the Government and citizens, PIAC’s public engagements and project inspections help to inform and empower the public to demand transparency and accountability from Government on the management and use of petroleum revenues. This is done to ensure inclusive, broad-based sustainable economic growth and poverty reduction.

For PIAC, transparency implies that the citizens of Ghana are provided sufficient information to know what rules guide the development of petroleum resources, who is given the responsibility to develop these resources and how much revenue is generated from these resources.

Accountability is the responsiveness of government to the demands of citizens regarding the management and utilisation of collected petroleum revenues. This means that the Committee provides a platform for the citizens to influence the decisions of government in managing and utilising petroleum revenues, and in the process, the Government become answerable to an informed citizenry.

1.2 The District Engagements

In fulfilment of the second mandate of the Committee, the 2017 engagements were held in twenty (20) districts across four (4) regions which comprised Ashanti, Volta, Eastern, and Greater Accra. This, besides PIAC’s routine regional engagements, brings the total number of district engagements to 81, held across all regions of Ghana.

PURPOSE OF THE ENGAGEMENTS

Aside to seek feedback, the other purpose of the engagements, was to consult, engage and inform the citizens of the 20 districts on how the Government of Ghana managed the country’s petroleum revenues from 2011 to 2016. To achieve this, the following objectives were identified for the engagements, to:

- be acquainted with and understand at first hand the expectations of the public with regards to the management of petroleum revenues;
- explore various ways to establish enhanced collaboration between PIAC and the public;
- seek measures that will improve the responsiveness to and accessibility of PIAC reports; and
- seek measures that will help improve PIAC’s reporting and engagements with informed citizenry.
1.3 Mode of Engagement

The engagements took the form of a face-to-face town hall presentation by a Member of PIAC, which was followed with discussions, comments/feedbacks, questions and answers between PIAC and the public.

PIAC implemented this project by synthesising the PRMA and PIAC reports into citizens' friendly format with infographics, and disseminated them to the participants during these face-to-face town hall presentation sessions that incorporated pictures and visuals in order to enhance citizens’ understanding and appreciation of the issues.

At these engagements, PIAC provided information on:

- its own activities and mandate;
- petroleum revenue management and utilisation from 2011 to 2016;
- the PRMA in general with a particular focus on ABFA allocation and distribution;
- ABFA-funded projects for the period;
- citizens’ rights with respect to natural resource governance and the management and utilisation of their revenues; and,
- transparency and accountability as the golden rule of good governance in petroleum revenue management.

To provide an incentive for active participation, and to wholly fulfil PIAC’s second mandate, participants in each district were assured that their feedbacks would be relayed to the relevant authorities and policy makers.
2.0 THE PUBLIC FORA

2.1 Participants of the Engagements
Over 1600 participants drawn from Government Departments and Agencies, Religious Groups, Security Agencies, Educational Institutions, Civil Society/Community-Based Organisations (CSOs/CBOs), Think Tanks, Employee Associations, Traditional Leaders, Assembly Members in all relevant districts, and the Media, participated in the town hall engagements. PIAC was represented by Committee Members, staff of the Secretariat, and a team of journalists from the Institute of Financial and Economic Journalists (IFEJ) travelling with them.

2.2 Main Issues from the Engagements

Ghana’s Share of Jubilee Production: Some participants were not enthused about the fact that Ghana’s share of Jubilee production was just 18.64% (5% Royalty and 13.64% Carried and Participating Interest, CAPI), albeit additional revenues emanates from other sources. They queried the reason why Ghanaians, being the rightful owners of the resource, were given a ‘meagre percentage’ of total production from the Jubilee Field. Members of the Committee explained that Jubilee being the first field required a lot of de-risking which made it difficult to negotiate for higher royalty rates. However, as Ghana’s petroleum sector grows and becomes competitive, higher royalty rates could be negotiated for in future Petroleum Agreements (PAs), and currently, the royalty rate ranges from 5% to 12.5% and is contract specific, whilst the minimum for CAPI is 15%. However, Ghana could increase its CAPI in a field by increasing its participating investment.

PIAC’s Inability to Prosecute: A growing concern of participants in all the districts visited was the lack of prosecutorial powers by PIAC. Drawing their conclusion from the spending patterns of petroleum revenues on projects in accordance with the four (4) Priority Area selected by the Minister of Finance for the period under review, participants suspected possible misappropriation of funds since most of the projects were not related to the Priority Areas they were listed under. Coupled with these is the fact that, the ABFA over the period under review, has replaced statutory funds such as the Ghana Education Trust Fund (GETFund) in executing projects reserved for these funds.

PIAC’s reports of shoddy work done on some ABFA funded projects in the districts further alarmed participants on the possible abuse of petroleum revenues. Participants therefore called for the prosecution of all persons or institutions found to have misused petroleum revenues; and asked that PIAC be vested with this authority to enhance its mandate as a public accountability institution.

Funding Entire Projects with Petroleum Revenue: It was generally observed that petroleum revenues served as counterpart funding for most of the ABFA funded projects visited. Notwithstanding this, funding sources for the projects were generally captured as Government of Ghana (GoG) or GETFund without any mention of petroleum revenues. Beneficiaries, and sometimes implementing agencies, were mostly unaware of the support provided by petroleum revenues to these projects. Citizens were therefore unaware they were beneficiaries of Ghana’s petroleum resources, which was evident when PIAC mentioned projects in their districts which were supported with petroleum revenues.

Inevitably, most of these projects stalled due to the lack of funds inflow from the other counterpart sources besides ABFA. Citizens have therefore urged Government to dedicate petroleum revenues to the completion of these stalled projects, and in future, to ‘legacy projects’ (inter-generational, high economic...
impact). The projects must be labelled as ‘Funded by Oil Money’ to raise awareness of the citizenry to the benefits from Ghana’s petroleum resource exploitation.

**PIAC’s Independence and Its Funding:** Most of the citizens were alarmed, when they were informed that the Committee receives part of its funding from the Ghana Government. Citizens questioned the likely interference by government and the eventual compromise of the independence of the Committee. Their main concern was the restriction of PIAC in pointing out inconsistencies in the spending of petroleum revenue by the Government.

The Committee however, allayed the fears of the concerned citizenry with the assurance that the non-partisan nature of PIAC would make it difficult for any Government to influence the work of the Committee though it is partly funded from petroleum revenues.

**Investment in Critical Areas of Agriculture:** Participants were surprised at the abysmal growth of the agricultural sector in the period under review since Agriculture Modernisation was a Priority Area of the Government for two consecutive terms from 2011 to 2016. Participants attributed this poor performance to the apparent allocation of petroleum revenues to the Priority Area on infrastructural development in the sector, which had no direct impact on core agricultural activities. The current Government having also chosen Agriculture as a priority area, was therefore urged to invest in areas of the sector that will directly improve agricultural outputs and the lives of farmers.

**Building the Capacity of Ghanaians in Oil and Gas:** Capacity Building was a Priority Area for two consecutive terms from 2011 to 2016, but a section of the populace were of the view that allocations to this Priority Area for the period were not utilised to build the relevant capacity of Ghanaians to fully participate in the petroleum industry. The ambiguity of the Priority Area without properly defined spending parameters and the misapplication of petroleum revenues in the form of thin-spreading across several expenditure areas are the major concerns.

Clearer and properly defined spending parameters for the 2017-2019 priority areas were proposed for the new government.

**Petroleum Revenue Allocations to Loanable Funds:** Between 2011 and 2016 petroleum revenues were consistently allocated to loanable funds like the Microfinance and Small Loans Centre (MASLOC), Venture Capital Trust Fund, and Exim Guarantee Fund as recapitalisation of these funds under the Capacity Building Priority Area. It is not clear whether these monies were returned to the State after the loans were paid back. A section of the participants attested to the fact that the loans paid out from these funds are mostly not paid back and the funds eventually run out of money.

Additionally, the priority area under Capacity Building was used to support almost everything under education - replacing the statutory responsibilities of GETFund – and to support the Musicians Union of Ghana (MUSIGHA.) Participants were of the view that capacity of Ghanaians should be built for the oil and gas industry.

**Effective Monitoring of Allocations of Petroleum Revenues in Election Years:** It was observed that petroleum revenue allocations in 2012, which was an election year, appeared to be directed at soliciting the support of targeted groups. Participants noted that some of the spending areas were not planned for
or inappropriate and called for effective monitoring of the spending of petroleum revenues in election years to ensure that Ghanaians get the maximum benefit from the utilisation of the revenues.

**Borrowing from the Ghana Heritage Fund (GHF):** Participants commended the setting up of the GHF since it would make it possible for future generations to benefit from the current petroleum resources. Some participants were, however, not happy about the investment of the GHF in low risk accounts overseas since the returns on the investments have been consistently small. For the GHF to generate more income and grow, others were of the view that the Government be allowed to borrow from the GHF, instead of borrowing from domestic banks and the international capital market.

**Expansion of Tertiary Institutions:** Leveraging on petroleum revenues to expand the student capacity of the country’s public universities was highly urged. This will cater for the expected increase in students’ enrollment into the various tertiary institutions in future.

**Support for other Sectors of the Economy Using Revenues from other Extractives:** As huge portions of the petroleum revenues will be allocated to support the Free SHS Policy from 2017-2019, some citizens were concerned about the availability of petroleum revenues to support other sectors of the economy, particularly in the face of low oil prices on the international market. The suggestion therefore was for the Government to allocate portions (in percentages) of revenues from the other extractive resources like gold, diamond, bauxite, etc. to support other sectors of the economy so that petroleum revenue in addition to the GETFund, could be used to support and sustain the Free SHS Policy.

**Monitoring the Utilisation of Revenue from other Extractives:** Ghana has been a major exporter of gold and other minerals for over 100 years and still ended up as a Highly Indebted Poor Country (HIPC) in 2001. This reflects how poorly the revenue generated from these mineral resources were managed. Participants were pleased to know that PIAC monitors the management of petroleum revenues and accounts to the people of Ghana for the sake of transparency. The recommendation was for Government to expand the scope and mandate of PIAC to also monitor the revenue coming from the other extractive resources.

**Recommendation of a Medium to Long Term Development Plan:** Stemming from the fact that petroleum revenues were spread thinly across many projects listed under the Priority Areas, some of the citizens have expressed worry about the resulting impact of these petroleum revenues on the local and national economies. PIAC was therefore urged to recommend the speedy adoption of a long term national development plan to the government to guide the utilisation of the revenues from petroleum.

**Building of Special Schools for the Disabled:** Representatives of the Ghana Society for the Physically Disabled were dissatisfied about the fact that the Government had been building a lot of schools around the country, but there were no records of Government building special schools for the disabled. They urged the Government to do so to facilitate the training of the disabled. Whilst some denied any knowledge of an ICT training programme for the disabled, which was funded by petroleum revenues, others however attested to being beneficiaries of such a training, even though the training didn’t achieve its intended purpose. Those trained were left to their fate after the training without receiving any help to put the acquired skills to use, hence they headed back to the streets to beg for alms.
PIAC’s Audit of Selected Projects to be Funded by the ABFA before Execution: Participants raised concerns about the Committee’s lack of access to and hence its inability to audit selected ABFA funded projects before their execution and noted that this hinders proper accountability and transparency. The recommendation was, for PIAC to be able to prevent the misappropriation of petroleum revenues in the execution of projects, it should be made to audit all selected ABFA funded projects before their execution to ascertain the best use of funds allocated and track the progress of these projects.

Involvement of the Local Assemblies in the Selection and Implementation of Projects: A general observation was the lack of involvement and coordination between the Ministries, Department and Agencies (MDAs), and the District Assemblies in the selection and implementation of ABFA funded projects undertaken in their respective jurisdictions. Participants therefore queried the criteria for the selection of petroleum funded projects in their communities as most of the selected projects were not priority projects at the time. They recommended that the District Assemblies be actively involved in the selection and implementation of projects in their jurisdictions to ensure that projects that are priority projects and in line with the medium term development plans of the Assemblies. This would also ensure the effective supervision of the projects by the Assemblies to prevent abandonment of site or shoddy work done by contractors.

Institution of an Environmental Tax in the Petroleum Industry: A participant, drawing on the impact of petroleum activities on the environment, suggested that the Government should institute an environmental tax in the petroleum industry to manage the effects of its activities on the environment. In furtherance, the environmental tax would also be another source of petroleum revenues thereby increasing the amount of revenues that Ghana accrues from its petroleum resource each year.

Onshore Activities in Ghana: GNPC’s onshore activities in the Voltaian Basin raised the hopes of participants because of the economic opportunities it could bring to the various communities. However, some participants proposed that the communities that will be affected by the onshore activities should be educated ahead of time to help the inhabitants better prepare themselves, with properly documented compensation mechanisms put in place by the Government.

Decentralisation of PIAC: Participants were generally excited that establishment and mandate of PIAC was a step in the right direction, and were confident that Ghana would enjoy the maximum benefit of the petroleum revenue. However, some urged PIAC to decentralise its operations across all the regions of Ghana to enhance its work and feedback from the public.
3.0 PROJECT INSPECTIONS

As part of the public engagements in the four (4) regions, a joint-team of PIAC and IFEJ undertook physical verification tours of ABFA funded projects in the regions visited. Thirteen (13) project sites were visited in the Ashanti Region, eight (8) in the Eastern Region, twelve (12) in the Volta Region, and eight (8) in the Greater Accra Region. A total of forty one (41) projects were visited in all the four regions.

3.1 Priority Area: Roads and Other Infrastructure

3.1.1 Roads and Highways

Ashanti Region
Rehabilitation of Bremang-UGC and Sepe Dote Main Road, Kumasi Metropolitan Assembly

The contract for the project was awarded on 4th November, 2011 to Kofi Job Company Limited with an original contract sum of GH₵4,954,882.07. The original contract duration was 12 months after date of award but the project stalled for about three years and was completed in 2014 due to delayed payments to the contractor. As a result, the project cost increased by about 77% from GH₵4,954,882.07 to GH₵8,779,667.31. From PIAC’s inspection, the quality of work done was poor. The team was informed that the road started developing potholes six (6) months after its completion.

The project serves as a ring-road for heavy-duty trucks plying the Accra-Kumasi-Tamale route. The heavy traffic required the road to have been asphalted but it was instead constructed with a thin layer of chippings. Some of the road users complained that the many speed ramps on the road were making it difficult for the heavy-duty vehicles to climb uphill, resulting in accidents. The road gets flooded each time there is a heavy downpour since the only drainage (also uncovered) along the sides of the road easily overflows.

Other Findings/Observations
- The burning of wood filings and cuttings in the open drains by nearby carpentry shops heavily contributed to the choked drains, hence the recurrent flooding of the road.

Upgrading of Adukrom Area Roads

The contractor, Attachy Construction Limited, was awarded the contract on 10th February, 2012 with a completion period of 10 months. The original contract sum for the project was GH₵3,328,928.75 but the final amount certified was GH₵4,856,561.06, due to project delay. An observation worthy of note is that, this stretch of road project is much longer and better in quality, (since it was an upgrade), than the Bremang-UGC and Sepe Dote Main Roads but cost less.

Findings/Observations
- The stretch of road was longer and of better quality than the Bremang-UGC and Sepe Dote Main Roads but cost less.
- Delay in the completion of the project increased the original contract sum by GH₵1,527,632.31.

Surfacing of Amantena Junction – Wioso Feeder Road
The contract for the project was awarded on 29th August, 2008 to Jerekab Complex Limited with an original contract sum of GH₵3,607,229.96 and completion year of 2010. The road covered a distance of 12 kilometres and was in very good shape. However, portions of an ancillary road to the project were in bad shape with lots of potholes. There were no pedestrian walkways along the stretch of the road and the sides were bushy. Residents had created their own speed ramps across the road with mounds of sand due to the danger posed by speeding vehicles. There was no maintenance works done on the road since its completion three months before PIAC’s visit.

**Findings/Observations**

- The Department of Feeder Roads (DFR), the implementing agency of the project was not aware that petroleum revenue partly supported the project since it was not mentioned as a funding source; and,
- The road was completed in 2010, which was before Ghana started generating revenue from its petroleum resources. The DFR was of the view that the petroleum revenue allocated to the project was used to pay outstanding debts owed the contractor, but not to support the execution of the project.

**Surfacing of Agogo Town Roads**

The original contract sum for this project was GH₵373,062.99. Works done on the project were scattered across the town and were generally in good shape with very few potholes. Patches on the roads also showed that maintenance works had been done on the project. Residents, however, had turned a large drainage system constructed as part of the project into a refuse dump. If this continues, it could cause the town to flood in the event of torrential rains.

**Findings/Observations**

- DFR was not aware that the project received support from petroleum revenue since it was not mentioned as a funding source for the project.

**Rehabilitation of Anyinasu Sekyedumase Road**

The contract for this project was awarded in 10 December, 2010 but commenced on 15th June, 2011 to Pretty-UPS Limited at an original contract sum of GH₵8,957,051.94, covering a distance of 10.2km. The project inspection was done with the assistance of the Regional Director and an Engineer from the Ghana Highways Authority (GHA) in the Ashanti Region. According to the Engineer from GHA, the original contract sum which was to see the project completion in 2013 was later revised to GH₵17,833,095.34 in 2016. This revision was as a result of a variation order raised to cater for extra work on the project. As at the time of PIAC’s visit, the certified project cost stood at GH₵37,813,818.65. This increase was mainly due to interest payments on outstanding Interim Payment Certificates (IPCs), price of goods fluctuations and contractor revised rates due to the prolonged delay of work on the project. All the above, in addition to unexpected earthworks (Variation Order) during the construction of the road resulted in the increased certified project cost. The contractor, who has not received payment on work done since October 2016, is owed about GH₵16 million by the Government as at the time of the inspection and this is likely to incur
extra cost in interest payments on the outstanding IPCs. Line markings and instalment of road signs were the works left to be done on the project, and physical progress of work was estimated to be 82% completed. The road which is single layered due to light traffic, should be resealed every 5 – 8 years depending on the rate of traffic to ensure the sustainability of the project, according to officials of the GHA.

Figure 2: PIAC-IFEJ team inspects Anyinasu-Sekyeredumase Road with and interacts with Regional Highways Officials

Findings/Observations

- GHA as the implementing agency of the project were not aware of the support of petroleum revenue to the project since it was not listed as a source of funding to the project.
- The delay in the progress of work and additional unplanned work done in the course of executing the project resulted in the increase of the original contract sum.

Final Retention in Respect of Surfacing of Fomena Town Roads

The project was started and completed in 2009/10, which was before Ghana started earning revenue from its petroleum resources. Petroleum revenue allocated to the project in 2014 was therefore used to finance outstanding debt on the project (final retention). The team paid a courtesy call on the Paramount Chief of Adansi, Nana Pagyakotwere Bonsra Afriyie II, who said that neither his palace nor the District Assembly was aware of any disbursement of petroleum revenue to support the project. He said this based on the fact that the project was completed over a year before the coming on board of petroleum revenue in Ghana. He therefore advised that the Chiefs and Assemblies of beneficiary districts to be duly informed and involved in the implementation and supervision of the projects for the sake of accountability. This would ensure that the projects are executed to specification and on time. He also entreated the Government to attend to the roads in Fomena because they were in a deplorable state. He added that construction works on the police station in Fomena was started using royalties from the mining of gold in
the area. Unfortunately, payment of the royalties have also delayed thereby stalling the project. He therefore called for the assistance of the Government in completing the project.

**Findings/Observations**

- The project was completed over a year before Ghana started receiving revenue from its petroleum resource, therefore petroleum revenue allocation to the project in 2014 was to pay off outstanding debt on the project (final retention).

**Rehabilitation of Obogu-Ofoase-Gyadem-Bodwesango-Adansi Asokwa Road**

The stretch of this road project covered a distance of 64.3km and work was still ongoing as at the time of the inspection. The project had been divided into two lots, according to the district engineer from DFR. Lot 1 started from Obogu to Gyadam and it had been completed. Lot 2 started from Gyadam to Brofoyedru and only portions of the stretch had been completed at the time of the inspection. The remaining stretch was still under construction. The team met the contractor, Mr. Jojo Anderson, on site and he told the team that the remaining stretch of the road was expected to be completed by December 2017. He added that the progress of work on the entire project was more than 50% completed. He however pointed out that due to the issuance of a Variation Order (VO) to add some extra kilometres to the road, the project suffered delays in its completion which increased the overall cost.

**Findings/Observations**

- The District Assembly and the Engineer from DFR were not aware that the project was partly funded by petroleum revenue.
- Completion of the project delayed due to the issuance of a VO to construct extra kilometers of road as part of the project, but work on the project was progressing steadily.
Emergency Upgrading of Antoa – Tikrom Road

As usual, the implementing agency which was the Ghana Highway Authority was not aware of the support from petroleum revenue to the project. Notwithstanding this, the project was 100% completed (asphalted, marked, with signage) and the work done on the project was of good quality.

Findings/Observations
- Petroleum revenue was not mentioned as a funding source for the project though it supported the construction of the project.

Eastern Region
Construction of Steel Bridge on River Ponpon

The contract was awarded on 26th June, 2012 to M/S Memphis Metropolitan Limited and work begun on 12th October, 2012 with an intended completion date of 31st December, 2012. The initial contract sum of the project was GH₵1,149,381.94; but the total expenditure to date (September 2017) was GH₵5,192,337.90. An amount of GH₵2,599,161.00 as counterpart funds from petroleum revenue has so far been expended on the project. The total expenditure was spent on the construction of two steel bridges over the same river in East Akim and Yilo Krobo districts, a 4.86km access road, and twenty three culverts. The length of the two steel bridges were 21m and 36m respectively.

The original project was the construction of a steel bridge over river Ponpon in East Akim, but savings were made and a VO raised to use the savings to construct a second steel bridge on the same river in Yilo Krobo. This was the first time PIAC had come across a project in which savings were made. Interactions with residents of beneficiary communities showed that they were not aware of the source of funding for the projects since there was no signage to show information on the funding sources. However, they were delighted to know that petroleum revenue partly supported the construction of the steel bridges and appreciated the fact that they had also benefited from Ghana’s petroleum resources.
Findings/Observations

- The implementing agency, i.e. the Department of Feeder Roads, was not aware that petroleum revenue partly supported the execution of the projects. Funding was indicated as coming from the Ministry of Finance without mentioning the specific sources the funds came from;
- Interestingly, this was the project that PIAC had come across on which enough savings were made to undertake another project; and,
- The project was not labeled as having received funding from petroleum revenue, therefore residents of beneficiary communities who use the bridges were not aware of the support of petroleum revenue to the projects.

Bitumen Surfacing of New Tafo-Nobi-Samlesi-Anwiabeng Feeder Road

The contract for the project was awarded to M/S Jilcon Limited on 23rd November, 2012 and actual work on the project started on 18th December, 2012 and completed on 17th June, 2014; which was right on schedule. The initial contract sum was GH₵5,452,392.55 but the estimated cost was GH₵5,913,384.52, as a result of a VO raised. The total certified amount on the project is GH₵5,552,415.23 out of the estimated cost, thereby making GH₵360,969.23 savings on the project. Petroleum revenue supported the funding of the project with an amount of GH₵959,844.00.

The implemented project was not bitumen surfacing but rather a concrete surfacing. The change was due to the nature of the terrain (zig-zagged and hilly), since it was more economically viable (albeit in the long term) to do concrete surfacing than bitumen surfacing. The cost of the concrete surfacing is higher than...
that of bitumen surfacing and is more durable and needs very little routine maintenance. The total length of the project is 13.70km with the concrete surfacing covering a distance of 1.3km of the total length of the project. The first 6km of the project is graveled with culverts to provide access to the concrete pavement. The concrete section was constructed with 820m of handrail to protect vehicles from falling off the edge of the steeped road.

Following the savings made, another VO was raised to construct a bitumen-surface road from Abetifi Roman Ridge Junction – Roman Ridge Road (1.20km) section of Abetifi town roads; another first in prudent utilization of ABFA funds.

Findings/Observations

- This was the first project that PIAC had come across which was completed right on schedule;
- The project was one of two projects in the Eastern Region but in the same district, in which savings were made to undertake another project. The savings were used to undertake a 1.20km bitumen surfacing of the Abetifi Roman Ridge Junction – Roman Ridge Road; and,
- DFR were not aware that petroleum revenue supported the funding for the project. The funding source for the project was captured as MoF.

Partial Reconstruction of Trom Junction-Somanya-Odumase Kpong Road

The contract for the project was awarded to First Sky Limited on 17th April, 2014 and work begun in May 2014. The intended completion date for the project was January 2016 but due to delays, the project was completed in July 2016. The initial contract sum of the project was GH₵30,886,702.11, which was later revised to GH₵35,478,606.46, mainly due to delays in completing the project. Total certified expenditure on the project to date was GH₵31,311,871.54 with the ABFA contributing an amount of GH₵8,075,921.00.
The entire project consisted of the construction of the Obudubada bypass, drainage works, culverts and relocation of pipes belonging to Ghana Water Company Limited (GWCL) that were obstructing work progress. Additional work was also done at Senchi ferry as part of the project. The Department of Urban Roads offered to do asphalt overlay of a portion of the project and bear the cost on its own.

As part of the contract, the contractor was to bear all costs relating to all forms of maintenance activities on the road for one year after completion of the project. The Committee observed that indeed the contractor was undertaking some patch works on the road since it had developed some cracks within a year after its completion. The cost of the patching would have no bearing on the cost of the entire project in the contract.

**Findings/Observations**

- The project was specified as GoG funded project without indicating the different sources of funding. The implementing agency was therefore not aware of the support of petroleum revenue to the project.

**Partial Reconstruction of Odumase Oterkpolu Road**

The contract for this project was awarded to Joshob Construction Company Limited at an original contract sum of GH₵44,005,504.33. Work on the project started on 12th May, 2014 and was scheduled to be completed on 11th May 2016. The total amount certified to date (October 2017) was GH₵32,002,436.43 with petroleum revenue contributing an amount of GH₵7,853,786.00 to the project. The road project started from Odumase and ended at Oterkpolu. As part of the project, an expanded concrete bridge would be constructed over River Ponpon (same river in East Akim) which flows across the road at a cost of GH₵2,000,000.00, inclusive of the original contract sum. The road is plied by heavy duty trucks due to mining activities in the area. Therefore, concrete surfacing would be done on four hilly-sections of the road to ensure easy access by heavy duty trucks and also ensure durability of the project. The sections to be concrete surfaced were not done at the time of PIAC’s visit. The project was captured as a GoG funded project without outlining the specific sources the funds came from. The implementing agency was therefore not aware that petroleum revenue contributed to the overall funding of the project.
Findings/Observation

- The portions of the road that was constructed was in very good shape. What was left to be done was the concrete surfacing; and,
The implementing agency which is GHA did not know that petroleum revenue supported the construction of the project.

**Upgrading of Anyinam-Kwabeng-Akropong Road**

The contract was awarded to Jilcon Limited and work on the project started on 18\textsuperscript{th} April, 2014 and was expected to be completed on 18\textsuperscript{th} October, 2015. The original contract sum of the project was GH₵2,244,370.49 and the total amount certified was GH₵2,216,757.24, with petroleum revenue supporting the project with an amount of GH₵1,017,712.24.

The total length of the project is 10km but was divided into two sections. The first section covered a distance of 9.0km from Anyinam to Kwabeng, and the remaining 1.0km started from Kwabeng to Akropong. The initial plan for the project was patch, reseal and sectional repairs’ but technical difficulties encountered during the implementation required the road to be upgraded. All procurement processes for the project were made by GHA and the relevant Assemblies and utility companies were involved in site meetings on the project. Ing. Emmanuel Laryea Oddai, the Regional Maintenance Manager of GHA in the Eastern Region informed PIAC that the contract was bid for in 2012 but awarded in 2014. The delay in the award of the contract and the issuance of a VO for the construction of drainage increased the contract sum. The project was captured as GoG funded and although GHA knew it was counterpart funding, they did not know the specific source of funding for the project.

Ing. Emmanuel Laryea Oddai said that the major factor that causes the increase in the original contract sum of all the projects is the delay in payment to the contractors. This stalls projects for long periods of time, resulting in an increase in the unit cost of materials by the time the contractors resume work.

To highlight these challenges, he stated that Management Seminars for GHA staff are arranged frequently but no action has so far being carried out by the relevant ministries. He therefore recommended that contracts should be awarded only after it was certain that the funds for the entire project was available.
Figure 7: Progress of work on the Anyinam-Kwabeng-Akropong Road

Findings/Observations

- The project was captured as a GoG funded project without the mention of petroleum revenue, partly supporting the project; and,
- Delay in the award of the contract after it was bid for resulted in the increase of the original contract sum.
**Volta Region**

**Emergency Works for the Upgrading of Ho - Adidome Road (KM 67.0 - 76.8)**

The visiting team was briefed by Mr. Divine Quashigah (Resident Engineer) of the Ghana Highways Authority. The 48km project, was to be completed in nine (9) months as part of the Ho-Adidome road commenced in 2010. It was divided into 3 lots and each lot was awarded to different contractors.

Lot 1: an 18.8km stretch of road and the contractor was USSUYA GHANA LIMITED. Physical progress of work was 80%.

Lot 2: a 14.8km stretch of road and was contracted to PMC Company Limited. Physical progress of work was 78%.

Lot 3: a 15km stretch of road and was contracted to JAHNICORF LIMITED. Physical progress of work was 98%.

*Figure 8: State of a section of the Ho - Adidome Road*

**Findings/Observations**

- The delay in the completion of the project was as a result of unavailability of funds. The project had stalled for seven years, accruing interest on the amount due the contractors; and,
- Lot 3 had almost been completed and was of a higher quality compared to the other two lots.

**Bitumen Surfacing of Tadzevu-Devego-Agorve Junction Feeder Road**

The Bitumen Surfacing of Tadzevu-Devego-Agorve Junction Feeder road projects were three different stretches of road but were categorized together by the MoF because they were all constructed by the same contractor. It was difficult to establish which portions of the road project were funded with
petroleum revenue. Variations to the contract involved the award of new contracts which increased the contract sum from GH₵13 million to GH₵31 million.

**Findings/Observations**

- The award of new contracts as a variation to the original ballooned the initial contract sum of the project; and,
- The Team could not determine which portions of the road were funded with petroleum revenue.

**Bitumen Surfacing of Aflao and Keta Town Roads**

Variations made to the project raised the contract sum from GH₵3.1m to GH₵5.6m. Only 54% of the certified amount had been paid and the remaining 46% was yet to be paid. The project was 60% complete. Work had ceased and the contractor was not on site due to lack of funds to complete the project which led to the deterioration of the works that were done on the project by rain. The Department of Feeder Roads had issued three (3) warning letters to the contractor to complete the project. This was ironic considering the fact that funds were yet to be given the contractor to execute the project. No drainage was provided with the road becoming very dusty in the dry seasons and muddy whenever it rained. No road signs and speed ramps were provided, with residents mounting their own speed ramps, which were poorly done and dangerous to vehicular movement and other road users.

**Findings/Observations**

- Variations made to the project resulted in an increase in the original contract sum.
- The project stalled due to delayed payment to the contractor.
- Nearby residents had dangerously mounted makeshift speed ramps which were a threat to vehicles and other road users.

**Reconstruction of Have-Kpando Road**

The project was a 10km road which connected Have to Kpando. It was a prima-seal surface dressing road which was yet to be completed. Line markings and safety signs were not done and there was no drainage systems along the road. The project quality was poor and physical progress of work was 80% completed.
The quality of work done on the project was poor; and,
No drainage systems were constructed, thus the likelihood of flooding whenever it rains.

Construction of Steel Bridge Over River Dayi on Gbi Kledjo-Mida Farms

The steel bridge was constructed over river Dayi in Gbi Kledjo Township by the Department of Feeder Roads. An amount of GH₵326,598.00 was allocated to this project.
• There were no shoulder blades to prevent users from falling;
• No safety guards installed;
• No reflectors and lighting systems installed; and,
• There were no towns across the bridge, only farms hence majority of the bridge users were farmers.

Upgrading of Eastern Corridor Project: Asikuma Junction-Hohoe Section

The project was the Eastern corridor road which starts from Tema. The project was divided into various lots but PIAC’s focus was on lot 2 which was a 45km stretch from Asikuma to Agate. It was to be upgraded into an asphaltic road. The project had delayed for so many years due to delays in payment or release of funds. The project started in 2011 and was supervised directly by the Project Management Unit of MoF headed by Mr. Aboagye. Delay of payments have attracted more interest which is a further cost to the government. Only the final layer remains on Lot 1 which starts from Asikuma Junction whilst work is steadily progressing on lots 2 and 3 which stretches from Agate to Logba Alakpeti and Logba Alakpeti to Hohoe. Due to delays in release of funds, cost of the project has increased from GH₵ 135,777,580.31 to GH₵ 105,777,580.31. An amount of GH₵ 3,371,767.14 was disbursed from ABFA in 2015 for this project.

Findings/Observations

• Delay of payment attracts more interest which is a further cost to the Government;
• The project could not be executed within the stipulated time frame;
• Social cost to the citizens and pedestrians using the road was very huge due to the bad nature of the road; and,
The project was becoming unattractive to contractors due to lack of funds and inconsistency in the policies by the Government on the Eastern Corridor Road.

**Greater Accra**

**Rehabilitation of St. Peters 3rd Gate Road, Adenta**

The contract was awarded on January 27, 2012 at a contract sum of GH₵4,023,421.80. The project was a rehabilitation of St. Peters Third Gate Roads – Adentan, a 3.50km stretch which commenced in 2012 and scheduled for completion after 12 months’ but delayed for three (3) years and was completed in 2015. The engineers had no idea petroleum funds were committed to this project. The project included surface dressing and prima seal. Road markings were not done by the contractor and was later completed by GHA albeit poorly and narrowly marked. There were no road signs on the road and the gutters were not covered. The road looked completed and very good, and there was no sign of potholes or wear.

![Figure 12: Status of St. Peters 3rd Gate Road](image)

**Findings/Observations**

- The project which was intended to be completed in a year but stalled for 3 years due to lack of funds;
- The implementing agency had no idea petroleum revenue contributed to the financing of the project; and,
- Road markings on the road were poorly done.

**Rehabilitation of 10th Avenue Extension and Nii Adai Ayiku Road Nungua**

The project was first contracted to Archadwo who carried out initial works and a second contractor completed the asphalt overlay of the road, which was originally not part of the project. The project spans a length of 1.3km and the asphalt overlay was not completed at the time of the inspection. Drainage works
on the road were completed. Chippings were used for the surfacing of the road with no resealing carried out on the road since 2014. Speed ramps on the road were constructed by a different contractor after the road was completed. This has resulted in the development of large potholes around the ramps. The implementing agency was not aware that petroleum revenue supported the funding of the project. Funding source for the project was captured as coming from Road and Consolidated Funds.

Figure 13: Status of 10th Avenue Extension and Nii Adai Ayiku Road, Nungua

Findings/Observations

- The contracting of different works on the project to different contractors resulted in poor work done. In future, all ancillary works/facilities such as road markings, speed ramps where necessary etc., have to be factored in a single contract; and,
- The implementing agency was not aware of the contribution of petroleum revenue to the project since it was not listed as a funding source.

Rehabilitation of Achimota Bypass Road to West Legon Accra

This project is a 4km stretch of road which was awarded in 2012 to MARIPOMA ENT. LTD. An amount of GH₵4.5m had been paid to the contractor. The project was a surface dressing of the road and was intended to be completed in 2014 but delays in the release of funds made it difficult to achieve the target. The contractor was given a defer liability period of one year which runs till December 2017. Portions of the road had already developed potholes.
Findings/Observations

- Delays in the release of funds to the project extended the completion date beyond the intended completion date in the contract; and,
- The road has started developing potholes.

Rehabilitation of Lormnava Road (3.0km), Ga South

This project is a 3km road that was awarded to FEKAMS CO. LTD. in December 2012 with a certified allocation of GH₵4.471m given to the contractor for the project. The ABFA component of the road was GH₵ 1,165,093

Findings/Observations

- The contractor constructed 7km of gutters instead of 3km. GHA officials said without a good drainage system, the roads would not last;
• All funds for the project went into the construction of drainage systems, hence a VO was raised to cater for the actual construction of the road but this order was declined by the Ministry of Roads and Highways; and,
• Although the gutters were nicely done, the road is still in a very deplorable state.

3.1.2 Other Infrastructure (Education, Sea Defence, Health, etc.)

Ashanti Region
Work Done on the Construction of 3-Unit Classroom Block at Akpenkro JHS, Atwima Mponua District

The project, intended to provide additional classroom facilities for the Junior High School (JHS) students started in 2011 with an original contract sum of GH₵58,648.58. The project was abandoned by the contractor for close to six (6) years before PIAC’s visit. A teacher at the school indicated that about eight (8) months prior to the visit, the Head teacher of the school had to literally beg the contractor to roof the building, to enable the primary level students to move in as a result of the collapse of an old classroom block. Besides the roofing, the quality of work done was questioned due to the cracks on the building. Similarly, as the project was not completed, there were no chalkboards in the classrooms and the teachers had to improvise by using old plywood as boards. In addition to the above, there were no desks for the teachers and students, therefore the students had to carry stools from home to school. The block did not have enough classrooms to accommodate all the students from Primary 1 to 6, therefore each classroom was divided into two with plywood in order to create extra space to accommodate all the primary students. The classroom block was also sited in close proximity to an abandoned ‘galamsey’ site with open pits which posed a threat to students and teachers of the school.

As a result, the community is without any JHS facility to cater for the rest of the basic school system. After completing primary education, students in the community face the option of either dropping out of school or walk long distances daily to nearby communities with JHS facilities. Other Findings/Observations

• The District Assembly was not aware that such a project was undertaken in their jurisdiction;
• The Assembly and beneficiary community were not involved in the implementation of the project and therefore could not provide the team with information on progress of work and cost components;
• Authorities of the school, the Assembly and the community did not know that petroleum revenue partly funded the project. All they knew was that the project was funded by GETFund;
• There was no project signage to indicate the funding sources and contractor; and,
• The Ministry of Education did not respond to PIAC’s request to make available contract documents and progress reports.

Construction of Teaching Hospital Administration Block Phase 1 for KNUST

An interview with the Director of Works at the Building and Infrastructure Development Department of the University revealed that the project was halted for over a year due to lack of funds. The original contract sum for the project was estimated to be GH₵6,000,000.00 and was later revised to about
GH¢18,000,000.00 due to delays in completion. Due to the large number of admissions into the KNUST School of Medical Sciences, the University decided to add an extra floor to the original plan of the project. This increased the revised contract sum from about GH¢18,000,000.00 to about GH¢21,000,000.00.

According to the Director, the contract was awarded in 2011 and the certified sum as at January 2017 was GH¢11,495,038.60. Payment to date was GH¢9,130,954.35 out of the total revised contract sum of over GH¢21,000,000.00. Otumfuor Osei Tutu II cut the sod for the commencement of the project, followed later by a visit from former Deputy Minister in-charge of tertiary education, Hon. Samuel Okudjeto Ablakwa to inspect progress of work.

Findings/Observations

- The Administration of the University were not aware of the contribution of petroleum revenue to the project;
- It is the largest Government funded project on the KNUST campus; and
- Work on the project had halted at the time of the visit.

Construction of 6-Unit Classroom Block at Agogo Saviour Primary School

The ABFA contributed GH¢87,424.21 as a counterpart fund to the project. The block with its ancillary facilities was under construction (about 70% progress made) and had been roofed with plastering ongoing at the time of visit by the team. However, the District Education Directorate and the School’s authorities were not aware of the sources of funding for the project.

Figure 16: State of Agogo Saviour D/A Primary School
Findings/Observations

- The District Assembly was not aware that such a project was being undertaken in their jurisdiction since they were not involved in the implementation of the project. The DPO could therefore not provide any information on the progress of work and the cost components of the project; and
- Attempts by PIAC to obtain the contract details from the Ministry of Education have not received any favourable response.

Construction of 6-Unit Classroom Block at Aboaso Islamic Call Primary School

The contractor for the project was Anointed Pillars and the project was listed as a GETFund project. The District Assembly and the Administration of the school were not involved in the implementation of the project. The contract was awarded at the national level and the contractor brought from Accra without the involvement of either the District Assembly or the beneficiaries of the project. The Headmaster of the school told PIAC that they helped with the supervision of the project nonetheless, since they were the beneficiaries of the project. The DPO could not provide the team with information on the project since the Assembly was not involved in its implementation.

Findings/Observations

- The contract was awarded at the national level and the contractor came from Accra to execute the project without the involvement of the Assembly or the Administration of the school.

Construction of Mampong teng Jubilee Market

Inspection of the Mampong teng Jubilee Market was not part of the projects scheduled to be visited in the Ashanti Region, but the DCE of Kwabre East District, Nana Osei Assibey Bonsu, asked the team to visit the project due to the keen interest of the people of Mampong teng. The project was started in 2012 with an initial amount of about GH₵4 million of ABFA, out of an initial contract sum of GH₵8.8 million, with no other disbursement made to the project due to unavailability of funds. The revised contract sum of the project as at 2015 was about GH₵24 million, after abandoning the project for several years. Worthy of note is the opportunity this project offers for petroleum revenue to be used to fully fund a single project to completion. The DCE therefore advised that Government completes the project with petroleum revenue and label it as a petroleum revenue funded project. The Ministry of Finance (MoF), as well as the Africa Centre for Energy Policy (ACEP) had earlier visited the project to check on the status of work before PIAC did. The Mampong teng market was relocated prior to the start of the project with the hope of moving traders back into the newly constructed market after its completion the following year. The current market is located very close to a high tension mast, with some traders selling right under the mast. Selling very close to, or right under the mast is life-threatening to the traders and also has a lot of health implications.
Findings/Observations

- The original contract sum of the project had increased by about 300% due to delays in the completion of the project for six years because of lack of funds;
- Petroleum revenue was used to start the project and it would be best if petroleum revenue is used to complete the project and the project labeled as a petroleum revenue funded project;
- The District Assembly was not aware that the initial amount of over GH₵4 million which was used to start the project was disbursed from petroleum revenue; and
The temporary location that is being used as a market is life-threatening to the traders due to the presence of a high tension mast right in the middle of the market.

**Eastern Region**  
**Construction of 6-Unit Classroom Blk. with Ancillary Facilities at Apedwa SDA Prim. Sch.**

The inspection of the project was assisted by Mr. Jeremiah A. Amofo, the Municipal Planning Officer (MPO) of East Akim Municipal Assembly, but he could not provide PIAC with any information on the cost components of the project since the Assembly was not involved in the execution of the project. He informed PIAC that the Assembly did not have any idea of the existence of such a project in the municipality until the Committee contacted him to assist with the project inspection. The classroom block was sited in a waterlogged area and the building had begun to sink after a little over two years into its completion. The structure showed serious signs of damage due to the fact that it was sinking and it could collapse at any time looking at its state. The unstable nature of the structure was life-threatening to the students, teachers and other users of the facility. Petroleum revenue supported the project with an amount of GH₵139,516.00.

*Figure 19: Front view of Apedwa SDA Primary School.*
**Findings/Observations**

- The Municipal Assembly did not know of the existence of the project until PIAC contacted them to assist with the inspection of the project. The MPO of the Assembly could therefore not provide PIAC with information on the cost components of the project;
- The building was showing serious signs of damage from sinking due to the poor siting of the project. The block was sited in a waterlogged area and large volumes of water pass under the building whenever it rained; and,
- Poor supervision led to the execution of a shoddy work by the contractor. This was mainly due to the Assembly’s non-involvement in the execution of the project and the consequential lack of supervision thereof.

**Rehabilitation of Science Resource Centre at Begoro SHS**

The contract to rehabilitate the facility was awarded on 8th November, 2010 to Moferg Company Limited and the project was expected to be completed on 28th February, 2011, four calendar months after the award of the contract. The initial contract sum for the project was GH₵130,152.96 and the total certified expenditure to date is GH₵52,765.89; representing ABFA’s contribution.

The contractor came on site after the award of the contract to remove the windows and doors of the then Science Resource Centre. Initial terrazzo works were started on the floor but not to completion. The contractor abandoned the site after these works. According to the Headmaster, Mr. Daniel Mensah, and some teachers of the school, the Science Resource Centre was in a relatively good state before the contractor started work on the facility. However, the resource centre was out of use at the time of the
visit due to the state the contractor left it. In lieu of this, the school has converted a section of a 6-unit classroom block into a temporary science laboratory for minor science practical work for Chemistry, Biology and Physics.

Information worthy of note is that, the Science Resource Centre serves not only Begoro SHS, but also sister schools from surrounding communities in the district and beyond. Due to the increased enrollment resulting from the Free SHS Policy, the Science Resource Centre was being used as a classroom block to accommodate the first year students. Parents would normally transfer their wards who were admitted to offer science to other schools due to the poor condition of the Science Resource Centre. This has significantly reduced the number of science students in the school from about 700 to the current number of 350, not taking into account the affected sister-schools. The performance of these students have been affected due to the lack of a well-equipped and functioning Science Resource Centre.

The administration of the school, as well as the District Assembly, were not aware of the award of the contract and were therefore unable to supervise and report on the work of the contractor. The contract was awarded at the national level by the Ministry of Education to the contractor who was from the Central Region. The MP, Hon. Amankwaah Asiamah, had been on the site and promised to follow up on the project with the Ministry of Education and the contractor, but had since been finding difficulties in reaching the contractor. Aside the deplorable state of the Science Resource Centre, there were no standard classrooms for students; and teaching and learning is done in makeshift pavilion classrooms.

**Follow-up at the Architectural and Engineering Services Limited (AESL)**

The contract letter indicated that the Officer-in-charge of the rehabilitation of the Science Resource Centre was the Regional Consultant, A.E.S.L., Koforidua. The delegation therefore called on A.E.S.L. to ascertain the reason for the contractor abandoning the project.

The Regional A.E.S.L. Consultant, Mr. Frimpong Gyamfi, informed PIAC that the first certificate for work done to the tune of GH₵52,765.89 was issued on 9th April, 2013 to be paid to the contractor. The contractor abandoned the project after the issuance of the first certificate claiming that payment had not been made to him.

The overall project was supposed to be in two parts, (two separate contracts) i.e. “Rehabilitation of the Science Resource Centre” and “Supply of equipment for the Science Resource Centre”. Different contractors were to execute the different parts of the contract, but the second contract which was the supply of equipment was never awarded and the rehabilitation also stalled due to the delayed payment to the contractor.
Findings/Observations

- The project was started using petroleum revenue and it would be best if it is financed to completion with petroleum revenue and labeled as a Petroleum Revenue Funded Project.
- The contractor abandoned the site a few months after start of work claiming that payment for work done had not been made. The Resource Centre was left in a worst state than it was before the start of work.
- The school had converted a 6-unit classroom block into a temporary science laboratory where Physics, Biology and Chemistry practicals were held. The actual Science Resource Centre was however converted into a classroom block to accommodate the first year students.
- The District Assembly and the Administration of the school were not aware that petroleum revenue was used to start the project. They were also not involved in the execution of the project and therefore could not effectively monitor and report on progress of work.
- The project which was supposed to be completed in four months had stalled for about seven years due to lack of funds. This project qualified to be one of the worst cases PIAC had encountered.

Rehabilitation of Office Space and Headmistress Bungalow at Aburi Girls’ SHS

The delegation could not get any documents on the project from the school since the administration of the school was not involved in the execution of the project. Similarly, the project’s contract was awarded at the national level without the knowledge of the school’s administration. Since she assumed her position
in late 2015, the Headmistress was in doubt as to whether such works were done on her office and bungalow due to leakages in the roofs of the office and bungalow.

Staff at the school however confirmed the works done, but that the office of the Headmistress got burnt in 2015 and the Government came in to renovate and replace all equipment and furniture in the office. Notwithstanding this, they were not aware of the source of funding for the renovation. The minor works done on the Headmistress’ bungalow were carried out from the remaining materials from the renovation of the office.

![Figure 22: Headmistress' Bungalow (a) View from Outside (b) View from Inside](image)

![Figure 23: Renovated Headmistress' Bungalow Showing Signs of Deterioration from Leakages](image)

**Findings/Observations**

- The Administration of the school were not able to provide PIAC with detailed information or documentation on the project including funding sources, since they were not involved in its execution; and,
- The contract for the project was awarded at the national level without the involvement of the school’s Administration or the District Assembly.
Volta Region

Construction of a 2-storey Dormitory Block at Mawuli SHS

This project was initially planned to be a dormitory block but was varied to a classroom block. The headmaster of the school revealed that at the time of the project, the school had inadequate classrooms and was in dire need of a classroom block hence authorities at the time decided to convert the project from a dormitory block to a class unit.

Figure 24: State of 2-Storey Dormitory Block at Mawuli SHS

Findings/Observations

- The design of the project did not include washrooms and hence students had to journey to their dormitories before they could use the washroom.
- There were no fans in the classrooms and no proper ventilation was provided.
- The block was far from the school dining hall and hence students had to walk for about 20 minutes before getting to the dining hall for their breakfast and lunch.
- The school has a total population of about 2500 students and therefore will require additional classroom and dormitory facilities.

Construction of the Faculty of Basic and Biomedical Sciences Building, Students’ Hostel and Staff Accommodation at the University of Health and Allied Sciences (UHAS).

The school has a total student population of more than 3000 with large numbers of students staying outside the school due to lack of hostel facilities on campus. This particular project was a 2-storey hostel block with 16 rooms that was completed and handed over to the school in 2015.
Findings/Observations

- The hostel was intended to house 30 students but due to lack of hostel facilities on campus, it housed 68 students at the time of PIAC’s visit;
- The hostel only accommodates first year students and all continuing students have to seek accommodation outside the school’s campus;
- There is no proper ventilation and the rooms are mostly hot and uncomfortable; and,
- There are no buses to convey students to the campus, hence most of them have to rely on taxis and other sources of transport.

Construction of a 6-Unit Classroom Block with Ancillary Facilities at Agbadzakope D/A Primary School, South Tongu District

The contractor for the project was Ultimate Impressions Limited, it is completed and in use. A toilet facility was constructed as part of the project a few meters away from the block. The Committee was taken on tour by Mr. Charles Nutornutu, Chairman of the school’s Management Committee. The building had two additional rooms for office and library but the library had no shelves for books to be displayed on. The floor of the classrooms and corridors had developed cracks which were yet to be renovated.

Findings/Observations

- PIAC was not impressed with the project, considering the materials vis-à-vis the project cost.
- The constructed library as part of this project had no shelves to keep books.
- Portions of the building, especially the classrooms and corridor floors had developed cracks and need renovation works.

Atorkor/Dzita/Anyanui Sea Defence Works to Protect Fisher folks and Fishing Communities

The heavy rocks used for the sea defence works were inadequate to curtail the full impact of the tidal waves. ABFA funding for the project which stood at Ghc23,612,710 appears to be inadequate since the
project has not been completed and the contractor also not on site. The team was unable to reach project officials to ascertain project detailed project documents and status.

Findings/Observations

- From the team’s observations, the defence wall ought to have been closer to the shore as in the case of Sakumono and other sea defence projects.
- The single walled defence was inadequate to curtail the full impact of the waves.
- The team also noted that the nature of buildings along the area visited are susceptible to tidal waves and ocean overflows.

Bitumen Surfacing of Tadzevu-Devego-Agorve Junction Feeder Road

The Bitumen Surfacing of Tadzevu-Devego-Agorve Junction Feeder road projects were three different stretches of road but were categorized together by the MoF because they were all constructed by the same contractor. It was difficult to establish which portions of the road project were funded with petroleum revenue. Variations to the contract involved the award of new contracts which increased the contract sum from GH₵13 million to GH₵31 million.

Findings/Observations

- The award of new contracts as a variation to the original ballooned the initial contract sum of the project; and,
- The Team could not determine which portions of the road were funded with petroleum revenue.
Construction of Five (5) Water Supply Projects at Ablorgame, Bleamezado, Tokor and Sadzimadza in Ketu South

The citizens were not aware that the project was fully financed with petroleum revenue. Although the project commenced in 2012, only 45% of the total contract sum was released to the contractor and the remaining 55% was paid in December 2016 when the people in the community started agitations against the delay of the project.

Distribution of water was poor due to the fact that the reservoir depended on gravity to pump the water at a certain pressure. This was as a result of high cost of electricity to power booster pumps. The team realized that renewable energy systems could have been used to power the booster machines which would be cheaper and efficient.

The first reservoir located at Tokor was poorly constructed and the concrete works were not strong enough compared with a similar reservoir in Klikor which was being constructed by a different contractor. Project progress was at 82% and expected to be completed by the end of 2017.

Findings/Observations

- The beneficiaries of the projects were not aware that the projects were fully financed with petroleum revenue because they are not labeled as per regulation;
- The reservoir depended on gravity to pump water at a high pressure due to the high cost of electricity to power booster pumps. As a result, water supply through the reservoir was poor; and
- Work done on some of the reservoirs was very poor.

Work Done on the Construction of 6 - Unit Classroom Block at Bishop Herman SHS

PIAC’s checks revealed the project was not fully completed before it was handed over to the school by the contractor. The windows of the classrooms had no louvre blades while most of the mesh that had been
used for the windows were coming off. The concrete floors in most of the classrooms and on the corridor were also in a bad state. The washrooms were empty because no facilities were fitted to make it ready for use by the students. Although the block had electrical connections, there were no fans in all the classrooms. The locks on the door were already spoilt and the school authorities had to secure the doors with nails to make it inaccessible to intruders and students who would want to use it for their own interest.

One of the Housemasters explained that the students started using the facility in 2014, although not completed, because it was habitable at that stage. He, however, explained that barely a year after the students moved in, the building started deteriorating. The project started in 2013, and in 2014 when it was partially ready for use, the students started using it. The classroom was habitable and had chalkboards and lights for evening studies. The Housemaster blamed the poor work done on poor supervision of work. The wood used for some of the doors was not well seasoned or well cured and this made it difficult to lock or open the doors.

Findings/Observations

- The project was not completed before students started using it due to the urgent need for the facility;
- Work done on the project was poor and this was attributed to the poor supervision of work by the responsible authorities;
- The locks on the doors were defective and nails were used to secure the doors to prevent unauthorised entry into the classrooms during vacation; and,
- The louvre blades were not fixed with the classroom floors showing signs of deterioration less than two years after construction.
Greater Accra

Payment for Supply of Solar Energy Products to the Ministry of Power under Its Renewable Energy Development Programme

The contract was for the provision of solar energy products, mainly solar lanterns and solar panels. Ten Companies were shortlisted to provide samples and upon careful sample tests and scrutiny, one company was contracted to provide the materials. The project was divided into three phases: phase one captured 2016-2017 and was over, phase two captured 2017-2018 and phase three captured 2019-2020. About 55,000 lanterns were to be distributed mostly in the rural areas. Technical Officers and Technicians were sent to off-grid remote communities which had little or no access to electricity. The lanterns were subsidised at 70% by the government and the citizens were only to pay GH₵45.00. Checks revealed that most of the citizenry found it difficult to pay. The Ministry had 30,000 of the lanterns in stock at the time of PIAC’s visit. After the distribution, a monitoring and evaluation team from the District Assembly, Parliament and the Ministry of Energy was sent to the communities that benefited from the distribution to ensure that the purpose of the programme was duly achieved. The ABFA counterpart to the project funding was GH₵5,983,286.00

![Figure 29: A Director at the Ministry of Power Holding One of the Solar Lanterns](image)

Findings/Observations

- The beneficiaries of the programme could not afford to pay the GH₵45.00 for the solar lanterns; and,
- The project had a nationwide coverage, good procurement processes with test drop test and other checks by the Ghana Standards Authority and a good monitoring and feedback mechanism.

Supply of Standard UV-Visible Spectrometer for School of Allied Health Sciences, UG
The ABFA was used to provide counterpart funding of GH₵5,983,286.00 to the project. The equipment was supplied by Excel Scientific Limited. The UV-Visible Spectrometer is used to train biomedical students (in what area). There were 6 spectrometers to measure absorbents of solutions, as well as fluid concentration. The equipment was procured in 2012 and four out of the six were working. The two were undergoing repairs but were brought in to be observed when the school was informed PIAC would be visiting. They had been down for about 3 months. The unit cost of each spectrometer was about GH₵18,500.00. The team tried to get a definite answer as to whether there had been value for money but did not get one. The team was informed that due to the erratic power supply, there had been some issues with the equipment but all in all, it had not done badly.

![Figure 30: PIAC-IFEJ Team at the School of Allied Health Science, UG](image)

**Findings/Observations**

- Four out of the six equipment were out of use and the two which remained were undergoing repairs.

**Construction of 2-storey Dormitory Block at Odorgonno SHS**

The Administration of the school was not involved in the implementation of the project and were therefore not aware that petroleum revenue was disbursed to the project. Their efforts to make inputs to the project to suit their needs were ignored by the contractor since they were not involved in its implementation. The only input that was accepted by the contractor was putting glass at the top of the doors. The toilet facilities are detached from the building. After various requests, a fence wall was subsequently built though the actual measurements were reduced. The septic tank for the toilet facilities was not in good shape, and gets full in a matter of weeks. The toilet facility was locked up at the time of inspection. The school wrote to the Assembly to intervene but the Assembly refused because they did not know much about the project.
Findings/Observations

- The project had a lot of defects and the most obvious one was the septic tank;
- The washrooms are far from the dormitories and students had to walk downstairs in the night to use them;
- The authorities of the school and the Assembly were not involved, therefore their inputs were rejected and supervision was poor; and,
- The beneficiaries were not aware of the contribution of petroleum revenue to the project.

3.2 Priority Area: Agriculture Modernisation

Greater Accra

Rehabilitation of Irrigation Dam at Dawa in the Greater Accra Region

The dam was constructed around 2010-2011 but broke down three (3) years after its construction. The Government decided to rehabilitate the project in 2013 through the local assembly by the department of agriculture.

The farmers complained about the fact that the contractor used the topsoil for the construction of the dam leaving behind unfertile land. According to the District Agric Officer and the chairman of the local farmers association, the project was constructed to supply water for the local farmers especially during the dry season. Some of the farm produce of the local farmers include okro, pepper and onion. The local farmers expressed the importance of the dam to their farming activities because it enabled them to get fresh pepper and okra even in the dry season.

The local people are mainly farmers and happens to benefit much from the dam especially in the dry season when they use pumps and pipes to extend the water to their various farms which lie few meters away from the dam. Checks revealed that in a regular harvest of pepper, a bag sells for GH₵300 and this enabled the farmers to fend for their families. The local assembly and authorities lease the lands around the dam to some of the local farmers for a fee of GH₵60 for a whole farming season. The dam was only
renovated once in 2015 by the contractor after the 2013 rehabilitation. The walls of the dam wear each time there happens to be a heavy downpour because it was not made with concrete nor grass planted around it to hold the soil together. Most of the pumping machines and valves were broken and leaking due to lack of maintenance.

Figure 32: State of Irrigation Dam at Dawa in the Greater Accra Region

**Findings/Observations**

- The dam had been renovated by the contractor just once after many years of its completion;
- The walls of the dam were wearing off by heavy rain because it was not constructed with concrete; and,
- Pumping machines and valves were broken and leaking due to lack of maintenance.
4.0 GENERAL RECOMMENDATIONS

1. The selection of projects to be executed in the districts should be aligned with the medium term development plan of the relevant Assemblies to ensure the selection of priority projects;

2. Authorities at the relevant MMDAs, stakeholders and beneficiary communities should be actively involved in the selection and implementation of projects in their jurisdictions, as is required by regulation, to enhance monitoring and reporting of progress of work;

3. The use of petroleum revenue as counterpart funding for projects should be stopped. Projects should be fully funded to completion with petroleum revenue and duly labeled with signage in accordance with the regulation;

4. The percentage allocation of petroleum revenue to projects should be indicated by the MoF to PIAC to better track the utilisation of petroleum revenue in project implementation. The relevant MMDAs, stakeholders and beneficiaries should be duly informed of the different sources that contributed to the implementation of the projects;

5. Delayed payment to contractors for work done should be stopped as a matter of urgency since it is the main cause of cost overruns in the execution of projects and does not give value for money. This said, contracts for the execution of projects should be awarded only after it is certain that the funds needed to complete the projects will be available;

6. Having been unable to identify some projects, the Committee would like to call on the Ministry of Finance to provide further details on these projects including the date of award of contract, the contractor(s) for the project, other source(s) of funding for this project and other relevant information to enable PIAC trace the whereabouts of the projects or funds allocated;

7. The Ministry of Finance, other Ministries and MMDAs should make public, components of all other funds committed to petroleum funded projects. This would enable PIAC and citizens to demand fuller accountability for the projects executed with oil funds;

8. The responsible Ministries and Agencies under which petroleum funded projects are undertaken should comply with the practice of mounting sign posts at project sites to inform citizens of details of contracts and funding sources for projects so as to enable concerned citizens demand accountability;

9. PIAC recommends that the value chain process for the selection and award of projects to various beneficiaries be made public by the MoF to enhance demand side accountability;

10. Authorities at the District/Municipal Assemblies should be informed and empowered to monitor progress of work and advise the implementing agencies accordingly;

11. Educational facilities should particularly be executed with the full involvement of the School authorities and Assembly, bearing in mind the complementary infrastructure and logistical requirements of such facilities for proper functioning.