

Govt releases GH¢4bn to pay road contractors

By Juliet Akyaa Safo

THE government will release GH¢4billion this month to defray part of a GH¢21 billion debt owed

road contractors across the country, the Minister of Roads and Highways, Kwame Governors Agbodza, has said.

He explained that the move was to enable contractors to resume and complete work on stalled projects.

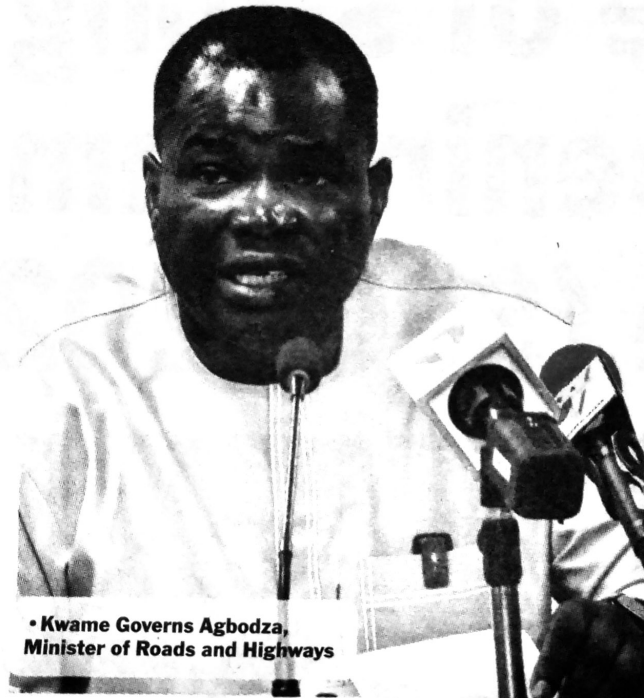
"We are intending to pay some GH¢4billion towards retiring part of the GH¢21billion from this month," he said.

Additionally, he said the ministry had initiated processes to introduce new revenue-generating policies to support debt retirement and funding for new projects.

Mr Agbodza made this known during a press briefing in Accra on Tuesday aimed at giving an update on road construction across the country.

The meeting was attended by representatives from the Ghana Private Road Transport Union (GPRTU), Ghana Concerned Drivers Association, Metropolitan Chief Executives (MCEs), contractors and consultants.

The minister said a tour to



• Kwame Governors Agbodza, Minister of Roads and Highways

the various construction sites to ascertain progress of work showed that majority of road contractors were off site due to non-payment of work done.

He said projects awarded between 2015 and 2017 to the tune of over GH¢100 billion had had no contractor activity on site for years, hence the ministry's plan to repackage the projects and potentially re-engage new contractors.

He said a preliminary report had suggested that some

projects should be taken off due to inactivity

Mr Agbodza added that efforts were underway to engage Ghanaian contractors in various maintenance programmes nationwide, promoting local participation and economic growth to improve project management, reduce debt and stimulate economic activity in the construction sector.

Accra entry/exit points

The Roads Minister said

there were four major entry and exit points in Accra that were currently undergoing significant construction activities, including the road leading to the Central Region, which was progressing steadily.

However, he said the road leading to Aflao and another from Shama to Akosombo had faced challenges due to the previous government's declaration of bankruptcy, which impeded loan disbursements.

Despite the challenges, he said the Ministry of Finance would prioritise such projects for completion within the current IMF framework.

He said the government was committed to ensure that ongoing projects were completed while those that had been earmarked under the flagship infrastructure master plan, "The Big Push", would also be done.

Concerns

Representatives from the GPRTU, Ghana Concerned Drivers Association and MCEs called on the Roads Minister to urgently address the poor state of roads in the country, particularly the completion of the Ofankor-Nsawam dual carriage road.

The Concerned Drivers Association subsequently called off its planned demonstration

following assurances by the minister and contractors to make some sections of the road motorable.

Resumption of work

A Senior Project Manager of Maripoma Limited, the company undertaking the construction of the Ofankor-Nsawam Road, Abdulai Mahama, said the contractor had begun work to improve the Pobiman-Samsam Junction stretch.

He expressed the hope that should there be no heavy downpours, work would be completed within six weeks.

Mr Mahama said the contractor had finished the Samsam stretch of the dual carriage way towards Accra with cement stabiliser.

He explained that the reason why the contractor had blocked that section was to allow the cement stabiliser to cure before "they can allow load or traffic to come on it".

Background

Last Monday, President John Dramani Mahama disclosed that the government would begin settling outstanding debts owed to road contractors during a meeting with members of the Council of State at the Presidency.

The move is to enable contractors to return to site and resume work on stalled road projects across the country.

Earmarked funds

He explained that the Ministry of Finance had earmarked funds to offset a

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significant portion of the arrears.

“I am sure that some of the contractors working on your projects will be paid so that they can return to site and continue their work,” the President said.

He said the Finance Minister was prioritising the payments as part of broader efforts to fast-track the completion of critical infrastructure projects and bolster the government’s economic recovery agenda.

Mid-year budget

Further details on the payments will be outlined in the upcoming mid-year budget review, which will also assess the economy’s performance in the first half of the year.

President Mahama assured the Council of State that the government would engage with them again after the mid-year review to discuss the administration’s progress over the past six months.