



GHANA RESEARCH NOTE [REV]

Plus ça change ... : the AMERI fiasco [Part II]

*No one can deny that Nana acted with exemplary speed in dismissing energy minister Boakye Agyarko within days of the parliamentary fiasco over the ‘repackaged’ AMERI transaction. However, this move is unlikely to draw a line under **an affair that appears even murkier than the original transaction** launched under the Mahama administration, in 2015.*

1) The existing AMERI power project is a B-O-T structure under which **ownership of the 250 mWh plant is transferred to Ghana after 5 years**, following the payment of USD 510 million in five annual installments. It has since been established that this price tag was inflated by at least USD 150 million¹.

2) Last month, the Akufo Addo government sought Parliament’s approval for an **‘amended’ deal** that promised a total of USD 405 million in savings. Instead, it quickly emerged that the new arrangement² **entailed a 15-year term, with annual payments of USD 75 million**, before the plant reverts to Ghanaian ownership³.

3) The proposal’s **procedural deficiencies** were almost as glaring as its financial inconsistencies. Missing from the package submitted to Parliament were a number of supporting documents required by statute, including:

- a value-for-money audit;
- an approved tariff structure from the Public Utilities Regulatory Commission (PURC); and,
- an opinion from the Attorney-General⁴.

4) The wrinkle in the ointment is that the proposal for the amendment of the AMERI contract was **submitted to Parliament** for fast-track consideration, under an executive order – i.e. **by the Presidency**.

This raises the question how a jurist of Nana’s eminence could ever have considered signing off on such a misbegotten initiative. Or, more pointedly, **what did the President know, and when did he know it?**

Evidently, ***the beautiful ones are not yet born***⁵ ...

¹ For additional details on the AMERI power project, see [“Ghana’s Minister of Power signed deal with a man from Oslo wanted for fraud and organized crime”](#), posted by [Verdens Gang](#) (Oslo), Dec. 12, 2015.

² This involved the purported novation of the Republic’s obligations under the original contract to Mytilineos S.A. – an affiliate of the contractor, AMERI – in return for which Ghana undertook to extend the project’s term by 15 years.

³ For details of the terms and conditions, see [“Comments on the amended AMERI contract”](#) published by the [African Centre on Energy Policy](#) (an Accra-based think-tank), on Jul. 27, 2018.

⁴ See objections raised by Edward Baga M.P. in the parliamentary Committee on Mines and Energy, as reported in [“Ameri new deal: Parliament’s committee meeting ends inconclusively”](#), posted by [Joyonline](#), Jul. 27, 2018.

⁵ With acknowledgments to Ayi Kwei Armah, whose eponymous, post-independence chronicle of unrealized national potential remains disturbingly topical, half a century later.

This Report has been prepared purely for the purposes of information and neither constitutes, nor is intended to constitute an offer to sell or the solicitation of an offer to purchase securities. Although the statements of fact in this Report have been obtained from, and are based upon sources that Rhombus Advisors LLC believes to be reliable, the Firm does not guarantee their accuracy, and any such information may be incomplete or condensed. All opinions and forecasts included in this Report represent the Firm’s judgement as of the date of the Report and are subject to change without notice.