

Investigative Report on Electricity Company of Ghana's (E.C.G.) Container Holdup at Tema Port and Related Procurement Issues.

For: Ministry of Energy & Green Transition (MoEn)

Prepared by: Technical Committee (MoEn)

March 2025.



The Minister
The Ministry of Energy and Green Transition (MoEn)
P. O. Box SD40, Stadium Post Office
Accra, Ghana

Attention: Honourable John Abdulai Jinapor (MP) – Minister of Energy & Green Transition

25th March 2025

Dear Sir,

Investigative Report on Electricity Company of Ghana's (E.C.G.) Container Holdup at Tema Port and Related Procurement Issues.

The Technical Committee ("the Committee") is pleased to submit its final report of factual findings in respect of the subject matter stated above.

The report has been prepared in accordance with the Terms of Reference (ToR) outlined in our appointment letter dated 31st January 2025.

This report includes recommendations to address gaps and issues identified during this assignment.

The Committee appreciates the opportunity to serve you on this assignment.

Yours Faithfully,

Prof. Innocent Senyo Kwasi Acquah
Chairman, Technical Committee.

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This report is compiled by the Committee appointed by the Hon. Minister of Energy & Green Transition on 31st January 2025 to investigate the circumstances surrounding the procurement and clearance status of approximately **Two Thousand, Five Hundred (2,500)** containers of goods currently held at the Tema Harbour.

The members of the Committee are:

1. Prof. Innocent Senyo Kwasi Acquah - Associate Professor of Procurement and Supply Chain Management, University of Cape Coast **(Chairman)**.
2. Mr. Noble Yaotse Adonoo - Managing Partner, AKA & Partners (Chartered Accountants) **(Member)**.
3. Mrs. Vivian Ablah Kally - Procurement & Supply Chain Professional **(Member)**.
4. Mr. Abdul Rahim Sualah - Chief Revenue Officer, Investigations, Ghana Revenue Authority **(Member)**.
5. Ms. Georgette Emefa Fugah, Esq - Liberty Law Consult, Accra **(Member, Secretary)**.

The Committee provided the Hon. Minister with periodic updates on the progress and status of work during the course of this assignment. However, this final report shall take precedence in any circumstances.

01

EXECUTIVE SUMMARY

Background	Scope of Work
<p>The Minister of Energy & Green Transition (“Hon. Mins”), in a letter dated 31st January 2025, appointed the Members of the Committee to conduct an investigation into the clearance status of the estimated Two Thousand Five Hundred (2,500) containers, procurements, contract and transactions (“Agreement”) between ECG and Hubtel Limited (“Hubtel”).</p> <p>This follows a public discussion of the matter after an announcement by the Hon. Mins. on the state of the Power Sector, ECG’s procurement issues and the agreement with Hubtel, which may not be in the interest of the State.</p>	<ol style="list-style-type: none"> 1. Ascertain the circumstances leading to the hold-up of the Two Thousand Five Hundred (2,500) containers at the Tema Port. 2. Confirm the contracts that resulted in the demurrage containers. 3. Establish the values of the contract of these demurrages. 4. Examine ECG’s procurement practices, procedures and processes used for the acquisition of these goods and services. 5. Review ECG’s procurement contracts for the supply of goods and services. 6. Submit a report on findings on the above and advise Hon. Mins. on optimal procurement practices to prevent inefficiencies and wastages in the future.

Objective
<p>The overall objectives of the Committee were to:</p> <ol style="list-style-type: none"> (1) ascertain the circumstances that led to the container hold-up at the port, and (2) review ECG’s procurement practices, procedures and policies.

1.2 Summary of Key Findings - Containers at the Port.

1. Management's negligence caused the hold-up of ECG containers at the port, incurring demurrage to the tune of over ***Nine Hundred and Nine Million, Five Hundred and Seventy-Eight Thousand, Four Hundred Ghana Cedis (GHS 909, 578, 400.00)*** because the excuse of lack of funds is not supported by the facts.
2. The Committee, in its discussions with the Directors, observed that the issue of “over procurement” in ECG was exacerbated when the Procurement Directorate was merged with the Premises & Estate Directorate in 2023 to become the “Procurement, Premises & Estates Directorate.
3. The Director of Procurement, Premises & Estates further admitted during discussions with the Committee that majority of the containers held up at the port were procured during his tenure.
4. The Director of Procurement, Premises & Estates stated inter alia that, indeed, ECG procured in excess of its demand but intimated that this was due to “pressure and influence” from “above”.
5. The Director of Procurement, Premises & Estates also suggested that this “pressure and influence was from the then Managing Director who awarded contracts to specific suppliers without subjecting them to competitive processes.
6. The container hold-up situation was created to enable the award of clearing contracts to the tune of ***One Hundred and Fifty-Nine Million, Six Hundred and Fifty Thousand Ghana Cedis (GHS159,650,000.00)*** to third-party service providers, even though ECG has a functional shipping unit that is capable of clearing the held-up containers from the port.

1.2 Summary of Key Findings - Containers at the Port.

7. The contents of the ECG containers piled up at the port include meters, conductors, poles, transformers, and cables, amongst others.
8. A Clearing contract to the tune of ***One Hundred and Twenty-Seven Million, Six Hundred and Fifty Thousand Ghana Cedis (GHS 127,650,000.00)*** was awarded to a company **which was not a registered “Customs House Agent”** even though ECG itself is a “Self-declarant”.
9. ECG could not account for at least ***One Thousand, Three Hundred, and Forty-Six (1,346)*** containers, valued at ***Four Hundred and Eighty-Nine Million, Ninety-Nine Thousand, Two Hundred and Forty-One Dollars and Sixty-Two Cents (USD 489,099,241.62)***, some of which hold goods of high value, such as transformers.
10. Even though the reason given by ECG for not clearing the containers promptly was due to lack of funds, ECG managed to award a contract to and pre-financed one of the Clearing Agents (Mint Logistics Ltd) with ***Thirty Million Ghana Cedis (GHS 30,000,000.00)***.
11. Dawards Bond Ltd. fraudulently cleared ***Forty- Seven (47)*** containers out of the port without following due process of paying duties/taxes to the State. Out of the ***Forty-Seven (47)*** containers, the company delivered only ***Forty- Six (46)*** to ECG. Dawards Bond Ltd. is currently demanding an amount of ***Five Million, Two Hundred and Ninety Thousand Ghana Cedis (GHS 5,290,000.00)*** from ECG for the services rendered.
12. This fraudulent clearance of the ***Forty- Seven (47)*** containers implies that Dawards Bond Ltd. **evaded duties/taxes to the tune of Four Million, Seven Hundred and Ninety-Nine Thousand, Seven Hundred and Sixty-Three Ghana Cedis and Forty-Three Pesewas (GHS 4,799,763.43).**

1.3 Summary of Key Findings - Procurement Breaches.

1. ECG is a Limited Liability Company with the Government of Ghana (GOG) through the Minister of Finance as the sole shareholder. The provisions of Statutes such as the State Interest and Governance Authority Act, 2019 (Act 990) and the Public Financial Management Act, 2016 (Act 921) bring the activities of ECG and its Board under the overriding supervision of the GoG and its specified agencies.
2. ECG is a Procurement Entity and, therefore, mandated to comply with the provisions of the Public Procurement Act, 2003 (Act 663) as amended with (Act 914). ECG's application for exemption to undertake procurement in accordance with established Commercial Practices was denied by the Board of Public Procurement Authority (PPA) in a letter dated 20th February 2023, with Reference Number PPA/CEO/02/355/23.
3. Though ECG has not been granted an exemption by the PPA to procure using established commercial practices, all its procurements have been ***without recourse*** to **Act 663 as amended specifically, Sections 15 (2)**. The provision stipulates that an entity may undertake procurement in accordance with established commercial practices, subject to meeting certain conditions and approval from the Board, ECG failed to provide any evidence of the existence of any such approval.
4. When the Committee enquired, ECG officials further responded that ECG is a Limited liability Company thus acts as a private entity though state-owned. Following this, ECG submitted that it is exempted from complying with Act 663 as amended when it utilizes its Internally Generated Funds (I.G.F.) (i.e., revenues from its operations). ECG further stated it only adheres to Act 663 as amended when the Government of Ghana (GOG) directly advances funds for its operations.
5. The argument of not adhering to Act 663 as amended, when ECG uses its IGF is contrary to the laws governing procurement. Act 663 as amended with Act 914, states specifically in **Section 14(1) (d)**

that, “the Act applies to procurement with public funds, including loans procured by government, grants, foreign aid funds and internally generated funds except as exempted under section 96.”

6. There was no evidence (at the time of this report) adduced by ECG to indicate that ECG procured in accordance with Act 663 as amended whenever GOG advances money directly into ECG’s operations.
7. The Committee obtained 2 letters dated 20th October 2022 (Signed by Samuel Dubik Mahama) and another letter dated 5th April 2022 (Signed by Kwame Agyeman-Budu) addressed to the Ministry of Public Enterprises for “Assistance in Securing Approval for ECG to Undertake Procurements in Accordance with Established Commercial Practices”. Prior to this, Mr. Kwame Agyeman-Budu had on 20th May 2021 and 10th March 2020 addressed 2 letters to the Ministry of Finance seeking approval on the subject matter stated above.
8. Further to this, the Director of Procurement, Premises & Estates submitted to the Committee a Legal Opinion dated 28th July, 2020 from the Office of the Attorney General and Ministry of Justice (AG) addressed to the Ministry of Finance when the latter sought advice from the AG on ECG’s exemption request from complying with Act 663 as amended with Act 914. The Committee noted that ECG was not the primary recipient of the Legal Opinion from the AG
9. The AG advised the Ministry of Finance that ECG, previously a public corporation was converted into a Limited Liability Company and is therefore not part of public service. Also, ECG being a commercial venture satisfies the conditions for exemption from compliance to Section 15 of Act 663 as amended with Act 914.

1.3 Summary of Key Findings - Procurement Breaches

10. ECG failed to direct the above requests to the Board of PPA which is mandated to exempt procurement entities per **Section 15 (2) of Act 663** as amended with Act 914.
11. That notwithstanding, though the Director of Procurement, Premises and Estate claimed that the Act 663 as amended with Act 914, is adhered to when ECG receives direct funding from GOG, he could not provide any evidence to support this claim.
12. Pursuant to Section 40 (1) and (2) ECG may engage in single-source procurement with the approval of the Board in exceptional circumstances which includes where a supplier has exclusive rights in respect of the goods, works or services, where there is an urgent need for the goods, works and services among others.
13. Moreover, ECG may engage in single-source procurement with the approval of the Board after public notice and time for comment where procurement for a particular supplier or contractor is necessary in order to promote a policy and procurement from another supplier or contractor cannot promote the policy.
14. The Committee observed the prevalent use of non-competitive procurement methods/procedures contrary to Parts 4 and 5 of Act 663 as amended with Act 914.
15. ECG's Procurements do not follow its Procurement Plan and Approved budget.

1.4 Summary of Key Findings - Excessive Procurements.

The table below explains the excessive use of Single-Source procurement as opposed to more competitive methods.

YEAR	SINGLE SOURCE	NCT	RT	RFQ	PROPRIETARY	BOARD	TOTAL NUMBER OF CONTRACT	% BREAK DOWN
2022	33	0	0	100	9	0	142	SS-23% RFQ-70% Proprietary-9%
2023	512	0	0	166	4	21	703	SS-72.83% RFQ-23.61% Proprietary-0.57% Board-3.0%
2034	425	0	0	169	0	7	601	SS-70.72% RFQ-28.11% Proprietary-0 Board-1.16%

NCT - National Competitive Tendering

RT - Restricted Tendering

RFQ - Request for Quotation

1.4 Summary of Key Findings - Excessive Procurements.

The Committee also observed that procurements were not in line with the Approved Plan and Budget. A comparison of the value of Planned Procurements against actuals shows a disturbing trend. Whereas the values of actual procurements in 2022 were within the budget, the procurements in 2023 were more than planned with a negative deviation of 790 per cent **(-790%)**. That of **2024** was also more than planned at a **negative variation of 487 percent (-487%)**.

The Committee was not furnished with any document to confirm the approval of these excessive deviations by the Approved Budget and Entity Tender Committee (ETC).

See Table below for details. (in Ghana Cedis)

Year	Value of Planned Procurement	Value of Actual Procurements	Deviation from plan	% Deviation
2022	1,777,741,456.87	460,144,408.77	1,317,597,048.10	74%
2023	935,496,886.53	8,328,750,409.60	(7,393,253,523.07)	-790%
2024	1,397,760,249.76	8,209,077,065.80	(6,811,316,816.04)	-487%

NB: The contracts awarded in Euros, United States Dollars and Pound Sterling were converted into Ghana Cedi using the annual average exchange rates from Bank of Ghana.

To elaborate on paragraphs 14 & 15;

- a. ECG's procurements were done in excess of their Procurement Plan and Approved Budget. For instance, in the year **2022**, ECG planned to procure conductors worth ***Two Hundred and Twenty-Five Million, Four Hundred and Ten Thousand, Five Hundred and Ten Ghana Cedis, Seventy Pesewas (GHS 225,410,510.70)*** but ended up spending **One Billion, One Hundred and Sixty-Five Million, Seven Hundred and Seventy-Four Thousand, Nine Hundred and Fifty Ghana Cedis (GHS 1,165,774,950.00)**, a variance of **404% (GHS 910,334,439.00)**.
- b. ECG's procurements were mostly Single-Sourced without any form of competition. Examples of such contracts include the container clearing contracts awarded to Mint Logistics Ltd and Dawards Bond Ltd, as well as the Digital Payment Platform Services Agreement with Hubtel Ltd.
- c. ECG's procurements are characterised by pervasive bulk breaking with the aim of ensuring that contracts fall within the Managing Director's financial approval threshold of **One Million Dollars (USD 1,000,000)**.
- d. Contracts are not subjected to contract Administration and Management.

02

INTRODUCTION

The Hon. Minister, on 31st January 2025, appointed a five-member committee to investigate the hold-up of containers at the Port and ECG's procurement processes. The Committee has been tasked with investigating critical issues affecting the efficiency of goods clearance and procurement practices. The Committee's mandate are to:

1. Ascertain the circumstances leading to the hold-up of the 2,500 containers at the Tema Port.
2. Confirm the contracts that resulted in the demurrage containers.
3. Establish the values of the contract of these demurrages
4. Examine ECG's procurement practices, procedures and processes used for the acquisition of these goods and services.
5. Review ECG's procurement contracts for the supply of goods and services.
6. Submit a report on findings on the above and advise Hon. Minister. on optimal procurement practices to prevent inefficiencies and wastage in the future.

This review is essential to ensuring transparency, accountability and value for money in public procurement. By examining past trends and current inefficiencies, the Committee aims to recommend policy interventions and procedural improvements that will enhance efficiency, reduce costs and optimize procurement outcomes.

Through a thorough and impartial analysis, the Committee sought to provide practical and actionable recommendations that will support the Government's broader objective of financial prudence and service inefficiency in the Energy Sector.

03

APPROACH

Below is a list of activities performed in executing the assignment. The Committee:

1. Engaged Directors of ECG to understand the Procurement procedure in the Company.
2. Reviewed documents submitted by the Directors.
3. Conducted site visits to Tema port to ascertain, verify and conduct a physical count of ECG containers on the Uncleared Cargo List (UCL).
4. Evaluated the sourcing and contracting processes leading to the selection of suppliers.
5. Reviewed procurement and contracting documents used for the acquisition of goods, works and services.
6. Analysed the costs expended and revenues accruing to ECG to determine the value or benefits from the engagement with Suppliers.
7. Identified and discussed observations, gaps and recommendations with relevant stakeholders.
8. Conducted site visit to ECG's warehouse in Tema.

DETAILED FINDINGS

4.1 Key Findings: Management's Decisions that Resulted in the Hold-up of the Containers.

4.1.1 – Key decisions that led to the container hold-up at the port.

1. ECG decided to use Cost, Insurance and Freight (CIF) as their preferred incoterm in engaging local suppliers of foreign goods, requiring that ECG clears the containers upon arrival at the port.
2. To facilitate this, Management decided to set aside and transfer **Five Million Ghana Cedis (GHS 5,000,000.00)** each week into a shipping account to be used by the shipping department in clearing ECG containers that arrive at the port.
3. The Committee noted that this initiative greatly assisted with containers being cleared without them piling up at the port.
4. However, Management, in 2022, stopped transferring the **Five Million Ghana Cedis (GHS 5,000,000.00)** into the designated shipping account.
5. The containers then started piling up at the port due to the unavailable funds to clear them.
6. The Materials & Transport Directorate raised the issue at a Management meeting but received the response that “there were no funds”.
7. The Materials & Transport Directorate wrote at least three memos appealing to Management to release funds to enable them to clear the containers. However, no response has been received from management regarding these appeals.

4.1 Key Findings: Management's Decisions that Resulted in Hold-up of the Containers (Cont'd).

8. In as much as the containers kept piling up with resultant demurrage coupled with Management's excuse of the unavailability of funds, ECG, through the then Managing Director, continued awarding new CIF contracts (without using competitive procurement methods) requiring the payment of **Ninety percent (90%)** of the contract sum when the supplier submits the shipping documents.
9. Per Customs law, consignments that are not entered for clearance after **Twenty-One (21)** days of discharge at the port are registered under Uncleared Cargo List (UCL) and therefore become the property of the State.
10. Containers that remained uncleared for a period of time attract demurrage charges payable to the shipping lines.
11. The number of containers on UCL kept rising with exponential increase in demurrage.
12. By December 2024, the number of ECG containers on Uncleared Cargo List (UCL) had totalled **Two Thousand, Four Hundred and Ninety-One (2, 491)**.
13. Management wrote to the Commissioner General of Ghana Revenue Authority (GRA) for "Restoration", and the request was subsequently granted.
14. The Materials & Transport Directorate initiated negotiations with the shipping lines with respect to waivers of demurrage costs and had a favourable deal from the shipping lines.

4.1 Key Findings: Management's Decisions that Resulted in the Hold-up of the Containers (Cont'd).

15. The shipping department began processing the affected containers for clearing and reached the point of payment, but management failed to allocate funds for this exercise.
16. Two clearing agents (Mint Logistics first, followed by Dawards Bond Ltd) were introduced to the shipping department by the then Managing Director through the Director of Materials & Transport as companies contracted to clear the UCL containers.
17. Subsequently, Mint Logistics Ltd, was awarded a contract to clear **One Thousand, One Hundred and Ten (1,110)** ECG UCL containers at ***One Hundred and Sixty Thousand Cedis (GHS160,000.00)*** per container
18. Dawards Bond Ltd was also awarded a contract to clear **Two Hundred (200)** containers in **4** weeks at ***One Hundred and Fifteen Thousand Cedis (GHS115,000.00)*** per container.
19. The two (2) Clearing Agents started profiling all ECG containers on UCL.
20. The Committee noted during discussions that in as much as management indicated there were no funds to clear the piled-up containers at the Port, they awarded contracts to these Clearing Agents mentioned above and made some payments.
21. This decision of management, unfortunately, rendered the shipping department of ECG almost redundant.

4.2 Key Findings: Actual Number of Containers at the Port

4.2.1 – Discrepancies in the Report of the Actual Number of Containers at the Port.

- 1. The Committee obtained the list of containers from the Director of Materials & Transport of ECG, the Director of Ports and the Manager responsible at the Meridian Port Services (MPS) Terminal at the Tema Port.
- 2. The Committee physically counted the containers and compared them to the lists obtained and found various degrees of discrepancies.

See below the results of the containers counted and the degrees of discrepancies:

SOURCES	GPHA	ECG
List of containers obtained	1,132	2,462
Containers accessed and counted by the committee	1,134	1,134
Variances	2	1,328

- 3. Out of the list of **Two Thousand, Four Hundred and Sixty-Two (2, 462)** containers provided by ECG, as the number of containers on UCL, a whopping **One Thousand, Three Hundred and Twenty-Eight (1, 328)** could not be accessed by the Committee while **Thirty-Four (34)** were in transit and yet to arrive at the port (as at 31st Jan 2025) as indicated in the document provided by ECG.
- 4. *Neither GPHA nor ECG could account for the One Thousand Three Hundred and Twenty-Eight (1,328) containers at the time of writing this report.*

4.3 Key Findings: Possible Theft and Auction of ECG Containers

4.3.1 – Possible Theft and Auction of ECG Containers

1. The Committee noted during discussions with staff of Mint Logistics Ltd and Dawards Bond Ltd. the issues of possible theft and auction of the containers owned by ECG.
2. The Committee further observed that the prolonged stay of the containers at the port exposes the contents to all forms of security risks, including theft and expiration, among others.
3. During the Committee's visit to the Tema Port to ascertain the actual number of containers, it was noted that a number of containers had ***been opened and some of the items removed***.
4. Customs regulations allow the auctioning of uncleared goods listed under UCL after a specified period due to unpaid duties or abandoned shipments.
5. However, by convention, containers belonging to government agencies are not auctioned without notifying the agency involved.
6. It is worthy of mention that when the committee inquired from the Director/ Materials and Transport, and the General Manager / Inventory they denied the fact that ECG's containers have ever been auctioned or stolen.
7. However, the Ag Manager/Shipping admitted before the Committee of the issues of stealing ECG containers at the port and provided documentation to confirm that he had informed the General Manager/ Inventory, but nothing or no action was taken in that regard.

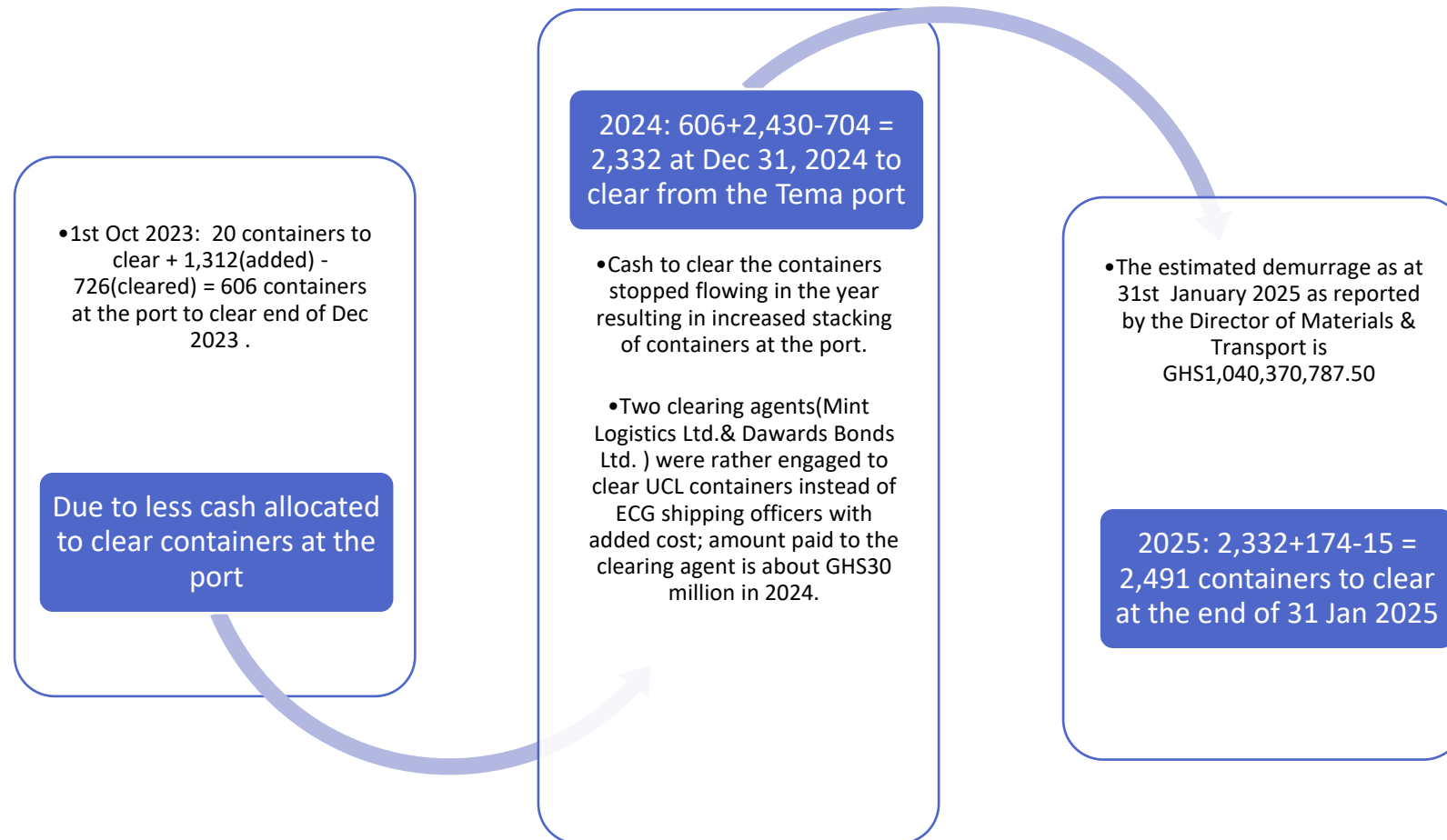
4.4 Key Findings: Actual Cost of Demurrage.

4.4.1 – Demurrage

1. The Committee obtained a written letter (certificate) regarding the total estimated demurrage as of 31st January 2025 from the Materials & Transport Directorate. According the Directorate, the estimated demurrage is **One Billion, Forty Million, Three Hundred and Seventy Thousand, Seven Hundred and Eighty-Seven Ghana Cedis and Fifty Pesewas. (GHS 1,040,370,787.50).**
2. The Committee obtained and reviewed the register of the demurrage containers (with its related contracts) as of 31st January 2025, totalling **Nine Hundred and Nine Million, Five Hundred and Eighteen Thousand Four Hundred Ghana Cedis (GHS 909,518,400).** **The amount of demurrage reported here differs from the amount received from the Materials & Transport Directorate.**
3. The Committee compared the containers physically counted with those contained in the demurrage register to verify the authenticity of the demurrage claimed, **discrepancies were discovered herein. The total counted was less than what was contained in the register as reported under 4.2.1 and the value of the demurrage of the containers counted totalled Four Hundred and Thirty-Two Million, Five Hundred Thousand Eight Hundred Ghana Cedis (GHS 432,500,800).**

4.4 Key Findings: Actual cost of Demurrage.

4.4.1 – Evolution of ECG demurrage Problems



4.5.1 - Non-compliance with Section 14 of Act 663 as amended with Act 914

Section 14 (1) and (2) of Act 663 as amended with Act 914 provides the scope and application of the Act as follows:

“14. (1) This Act applies to

- (a) The procurement of goods, works and services, financed in whole or in part from public funds;
- (b) Functions that pertain to the procurement of goods, works and services including the description or requirements and sources of supply, selection and award of contracts and the phases of contract administration;
- (c) The disposal of public stores, vehicles and equipment; and
- (d) Procurement with public funds including loans procured by government, grants, foreign aid funds and internally generated funds except as exempted under section 96.

(2) In addition to subsection (1), this Act applies

- (a) central management agencies;
 - (b) ministries, departments and agencies;
 - (c) subvented agencies;
 - (d) governance institutions;
 - (e) state owned enterprises to the extent that they utilize public funds;
 - (f) public universities, public schools, colleges and hospitals;
 - (g) the Bank of Ghana and financial institutions including public societies which are wholly owned by the Republic or in which the Republic has a majority interest;
 - (h) institutions established by Government for the general welfare of the public or community;
 - (i) statutory funds, Commissions and other bodied established by Government for a special purpose;
- and

(j) the phases of contract administration as specified in the Contract Administration Manuals.

Section 96 of Act 663 as amended provides as follows:

“96. (1) Despite the extent of the application of this Act to the procurement, procurement with international obligations arising from a grant or concessionary loan to the Government shall be in accordance with the terms of the grant or loan subject to the prior review and “no objection” of procurement procedures by the Authority.

(2) Procurement arising from an external loan and commercial facility, secured by Government, other than a concessionary loan and grant which specifies particular procurement procedures shall be subject to the prior review and “no objection” of those procurement procedures by the Authority.”

1. Act 663 as amended with Act 914 in **Section 14**, applies to the procurement of goods, works and services financed in whole or in part from public funds, including loans procured by the Government, grants, foreign aid funds and internally generated funds except as exempted under section 96 of Act 663 as amended.
2. Additionally, **Section 14(2) of Act 663**, as amended with Act 914, highlights the institutions and entities that are enjoined to apply Act 663 as amended with Act 914 in their procurement activities. These include Ministries, Departments and agencies, subvented agencies, state owned enterprise that utilize public funds, public universities, public schools, colleges and hospitals, Bank of Ghana, financial

institutions wholly owned by the State or which the State has majority shares and other institutions in the public service

3. In effect, the entire Public Service is enjoined by law to comply with the provisions of Act 663 as amended in its procurement activities unless excepted by law.
4. That notwithstanding, the Committee observed that ECG does not adhere to the dictates of Act 663 as amended with Act 914 in their procurement activities.

Furthermore, ECG is a Limited Liability company with the Government of Ghana (GOG) via the Minister of Finance as the sole shareholder thereby making it a State-owned institution. The overriding influence and supervision that the GOG exercises over ECG cannot be underestimated. Moreover, the provisions of statutes such as the State Interest and Governance Authority Act, 2019 (Act 990) and the Public Financial Management Act, 2016 (Act 921) bring the activities of ECG and its Board under the overriding supervision of the GOG through its designated agencies.

It is worth mentioning that the relationship between ECG and the GOG described in the previous paragraph, there is a presumption that ECG qualifies as a Procurement Entity under the PPA Act. A Procurement Entity is mandated under these Acts to procure in accordance with the provisions of the Act. The object of the Authority as enshrined in Section (2) of Act 663 as amended Act 914 is to harmonize the processes of public procurement in the public service to secure a judicious, economic and efficient use of state resources in public procurement and ensure that public procurement is carried out in a fair, transparent and non-discriminatory, environmentally and socially sustainable manner. In effect, the Authority acts as an overriding supervisory body in the procurement activities of the institutions stated in section 14 and ensures accountability, maximum and efficient use of state resources in public procurement.

4.5.2 – Request for Exemptions

ECG on a number of occasions through its Managing Directors wrote letters to the then Ministry of Finance and the then Ministry of Public Enterprises for request and assistance in securing approval to undertake procurement in accordance with established commercial practices under section 15 of Act 663 as amended.

1. The then Managing Director, Mr. Kwame Agyeman-Budu in a letter dated 10th March, 2020 with ref. no md/MOF/11.9/013 wrote to the Ministry of Finance “Request for Approval to Undertake Procurement in Accordance with Established Commercial Practices under Section 15 of the Public Procurement amendment Act, 2016 (Act 914).

In the letter signed by the then Managing Director, the key considerations stated as justification for the approval to be exempted from Act 663 as amended include; ECG is not part of the Public Service, ECG is a private company limited by shares and as such distinct from its sole shareholder the, GoG, the business undertaken by ECG is a commercial venture, ECG is not a government subvented agency, It is not a monopoly but rather operates in a competitive environment, It is a regulated entity under Energy Commission and Public Utility Regulatory Commission (PURC) with an obligation to meet certain benchmarks, employing established commercial practices in its procurement activities would enable it conduct its activities efficiently finally some State-owned corporations and Banks have been granted exemption to undertake procurement activities in accordance with established commercial practices.

The letter concluded by stating that the processes and practices adopted by ECG to date have gone a long way in ensuring that the company receives value for money in undertaking procurement of goods and services. The permission when granted, ECG shall put in place more robust practices and procedures in that regard.

2. LEGAL OPINION

A legal opinion on ECG’s exemption request from applying Public Procurement Laws to Entity Procurement activities dated 28th July 2020 with ref. no. D54/8F.240 from the Office of the Attorney General reiterated that pursuant to Section 15 of the Public Procurement Act, 2003 (Act 663) as amended an entity seeking exemption from applying the Public Procurement laws to its procurement must satisfy the following conditions:

- A. The entity must be legally and financially autonomous and must operate under commercial law.
- B. It must be clearly established that the public procurement procedures are not suitable considering the strategic nature of the procurement.
- C. The proposed procurement method will ensure value for money and provide transparency.

It goes further to state that ECG is not a subvented agency and does not receive any capital injection from Government. It rather pays corporate taxes to Government as well as commercial rates on its properties to Municipal, Metropolitan and District Assemblies (MMDAs) wherever it operates. Also, ECG is a regulated entity under an obligation to meet benchmarks set by the Energy Commission and the Public Utility and Regulatory Commission (PURC) on pain of paying penalties for default.

Furthermore, ECG engages in commercial activities and therefore falls under the ambit of section 15 of Act 663 as amended and must be exempted from the application of the procurement laws in its procurement activities.

The Attorney General concluded by advising that:

- a. ECG, though previously a public corporation was converted into a limited liability company through the Statutory Corporations (Conversions to Companies) Act, 1993 (Act 461) and is therefore not part of the public service as defined under chapter 14 of the Constitution, 1992

- b. ECG being a commercial venture satisfies the condition for exemption from applying the Public Procurement activities pursuant to section 15 of Act 663 as amended.
- 3. In another letter signed by the then Managing Director, Mr. Kwame Agyemang-Budu dated 20th May 2021, to the Ministry of Finance, he sought to emphasize the point that ECG though a state-owned enterprise does not utilize public funds. It goes on further to state that ECG is not part of the Public Services of Ghana as defined under Article 190 (1) (b) of the 1992 Constitution and is not a “public corporation” pursuant to Article 190 (4) of the 1992 Constitution. It mentions that ECG rather operates as a private commercial but wholly state-owned enterprise, operates in a competitive environment with competition from other corporate entities and uses its own corporate assets and income without day-to-day reliance on public funds.

The letter also added that Government projects through grants/aids or loans procured by the Government on behalf of ECG and injection of capital into the company are to be recognized as public funds, and their usage will be in accordance with the PPA Act.

- 4. That notwithstanding the then Managing Director Mr. Samuel Dubik Mahama in a letter dated 20th October, 2022 informed the Minister for Public Enterprises of the fact that ECG has been procuring for its goods, works and services with the advised position from the Office of the Attorney General that it is not a Procurement Entity as envisaged under the Public Procurement Authority (PPA) and the relevant procurement legislations.

The letter also stated that the Audit Service and Auditor General had always held the contrary position and perennially made findings of non-compliance with Act 663 as amended during audit exercises. ECG in turn sought to seek the Minister of Public Enterprise’s intervention for the grant of exemption from compliance with the Public Procurement Act to regularize their advised position and avert the purported non-compliance findings made against the Company.

The Committee further enquired from the Directors in ECG to ascertain the reasons for ***their non-compliance with Act 663 as amended.***

The responses received were premised on the following:

1. ECG had a procurement manual which they claim mimics the Act 663 as amended and which they adhere to.
2. ECG is not a public corporation hence it has been converted into a limited Liability Company and operates as a private entity.
3. ECG relied on an Advise/Opinion from the Office of the Attorney General and Ministry of Justice in a Legal opinion dated 28th July 2020 with ref. no D54/8F.240 addressed to the Ministry of Finance.

4.5.3- Non-compliance with Section 15 of Act 663

The subsequent paragraphs bring to the fore a considered opinion that the above assertion is contrary to the dictates of the laws governing public procurements with regards to public entities.

1. In the wisdom of the framers of the Public Procurement Act (Act 663) as amended pursuant to section 2, it states that the object of the Authority is to harmonise the processes of public procurement in the public service to secure a judicious, economic and efficient use of state resources in public procurement and ensure that public procurement is carried out in a fair, transparent and non-discriminatory, environmentally and socially sustainable manner.
2. In essence the Authority plays a supervisory role over these affected agencies/institutions and is mandated to ensure the efficient use of public funds or state resources.
3. It is worth mentioning that section 15 of Act 663 as amended states that:
 - a. The Minister of Finance in consultation with the Board may, by notice in the Gazette, declare an entity, a subsidiary or agency of an entity or a person to be a procurement entity.
 - b. Subject to approval by the Board, a procurement entity may undertake procurement in accordance with established commercial practices if;

- i. The procurement entity is legally and financially autonomous and operates under commercial law;
 - ii. It is beyond contention that public procurement procedures are not suitable, considering the strategic nature of the procurement; and
 - iii. The proposed procurement method will ensure value for money, provide competition and transparency to the extent possible.
- 4. The approval given by the Board to a procurement entity to undertake procurement in accordance with established commercial practices shall be published in the Gazette. Taking the above provisions together, the following are deducible:
 - a. The Minister has to consult with the Board to declare an entity, an agency of or a person as a procurement entity this should be premised by a notice in the Gazette.
 - b. The exemption to procure in accordance with established commercial practices has to be with the approval of the Board on condition that
 - i. The entity is legally and financially autonomous and must operate under commercial law.
 - ii. It is clearly established that the public procurement procedures are not suitable considering the strategic nature of the procurement.
 - iii. The proposed procurement method will ensure value for money and provide competition and transparency.

- c. The approval given by the board to an entity to procure in accordance with established commercial practices would require a publication in the Gazette.
1. ECG sought to rely on the advise from the Office of the Attorney General addressed to the Ministry of Finance justifying why ECG should be granted exemption under section 15 of Act 663 as amended, and flouted Act 663 as amended.
 2. Though ECG requested exemption from the Authority, such requests were not approved hence they were mandated to procure in accordance with Act 663 as amended.
 3. The opinion from the office of the Attorney General did not lay emphasis on Section 14 (1) (d) procurement with public funds including loans procured by government, grants, foreign aid funds and internally generated funds except as exempted under section 96.
 4. Further pursuant to section 15 of Act 663 as amended it states that exemption to undertake procurement in accordance with established commercial practices may indeed be granted to a state-owned enterprise such as ECG, however, there must be prior approval by the Board upon satisfaction of certain conditions and this approval published in the Gazette.
 5. It is deducible from the above-mentioned provisions that, internally generated funds (IGF) which ECG claims it procures with falls under the ambit of Act 663 as amended with Act 914.

4.5.4 Response from Public Procurement Authority’s to ECG’s Requests

In a letter dated 20th February, 2023, with ref. PPA/CEO/02/355/23 the Public Procurement Authority responded to a previous correspondence by the Public Enterprises Secretariat on behalf of the ECG with reference no. MPE/PPA/01/22 on “Request by the Electricity Company of Ghana (ECG) to Undertake Procurement in Accordance with Established Commercial Practices”.

The Board stated categorically that the request for exemption was considered at its 35th Meeting of the Board held on Wednesday, 1st February, 2023 and the noted amongst others the following:

- a. “ECG is a Limited Liability Company set up with public funds to undertake functions beneficial to the public. It continues to enjoy a monopolistic status and therefore does not compete with any other Operator in the distribution of electricity in the Southern Sector of the Country.
- b. That the Government of Ghana’s link to the ECG cannot be severed because the GoG is ECG’s main shareholder and it was set up to provide essential public service in reflection to the distribution of electricity to Customers whether public or private.
- c. ECG is a State-owned Enterprise whose operations must be governed and therefore subject to statutory legislation pertinent to procurement and financial management.
- d. Act 663 as amended with Act 914 demands compliance with its provisions that engender efficiency, transparency and value for money. Complying with levels of approvals will not hamper its work if ECG applies appropriate procurement methods and concepts such as the Framework Agreements (FWAs) in executing its procurements as enshrined in Act 663 as amended. It must be stated that these approaches were discussed with the Management of ECG in the past.
- e. Funds generated by ECG are categorized as public funds and therefore cannot be exempted from the scrutiny of public expenditure and budgetary requirements, which are all encapsulated in appropriate public procurement as well as financial laws and regulations of the country”.

The Board concluded by declining to approve ECG’s request for exemption and stated that ECG is mandated to comply with the provisions of the Public Procurement Act, 2003 (Act 663) as Amended and public procurement methods.

This emphasizes the point made in previous sections of this report that it is the Board of the Public Procurement Authority mandated to exempt Procurement Entities in this regard ECG to procure using established commercial practices. The debate that ECG is a Limited Liability Company, utilizes its own IGF, pays corporate taxes to Government as well as commercial rates on its properties to Municipal, Metropolitan and District Assemblies (MMDAS) does not render it a privately owned entity.

4.6 Key Findings: Procurement Practices in ECG.

4.6.1 Procurement Methods

1. Procurement methods outlined in the Procurement Plans submitted to the Committee by the Procurement, Premises & Estate Directorate were not followed.
2. Even though a procurement plan exists ECG's procurements were not done in accordance with the procurement plan.
3. Unsolicited proposals from suppliers to the Managing Director were forwarded directly to the Procurement, Premises & Directorate for contracts to be drafted and awarded without competition, albeit after price analysis.
4. There was no competition for the award of contracts to suppliers, prevalent use of single-source procurement.
5. Third parties (local suppliers), who served as middlemen, were engaged to supply foreign goods (e.g., transformers, cables, etc.) that could have been procured directly from the manufacturers.
6. The incoterm, "Cost, Insurance and Freight (CIF)" is mostly used for foreign goods procurements, and 90% of the contract value is paid upon the supplier submitting the shipping documents to ECG.

4.6 Key Findings: Procurement Practices in ECG.

4.6.2 Procurement Queries

The Act 663 as amended was used to review the procurement activities for ECG. With specific reference to ECG's procurement plan, procurement methods used for approving thresholds and contracting. The years under review are **2022, 2023, 2024**. These years were randomly selected by the Committee and also as a result of the documents submitted by the various Directorates.

1. THE YEAR 2022

a. GOODS 2022

- i. **Package number:** the package number for activities were not captured as per the PPA standard Procurement Plan Model. A procurement package number for example, meters was simply captured as “CSD-01” **this is in contravention of the standard procurement plan which captures its package number as** “GR/ANMA/GD/0038/2021”. Proper labelling of procurement activities according to PPA's prescribed package numbers is essential in order to allow for proper and easy identification. A Package number includes the region, the procurement entity, the category of procurement (goods, works and services), the package number for the activity in question and the year under which the activity is being procured.

4.6.3 Procurement Queries cont'd.

- ii. **Approving authority:** The procurement plan under review had no Approving Authority as it should have been per the PPA standard procurement plan. Approving authority is very instrumental as it gives guidelines and first-hand information to ensure a procurement entity applies the approved threshold limits and its corresponding categories, i.e., the Head of entity for goods threshold is **One Hundred Thousand Cedis (GHS 100, 000.00)**.

Per the ECG procurement manual, section 7.0 tables its threshold limits and corresponding approving limits. The submission by ECG to go this route (applying its own threshold limits), as mentioned earlier, is based on the premise that the procurement activities under question are funded by ECG's own IGF. Observations revealed that ECG has no approval from PPA to apply such thresholds as captured in its manual. Thus, the PPA's thresholds and corresponding approving authorities must apply per the fifth (5th) Schedule of Act 663 as amended.

Per ECG's Procurement plan (Goods, 2022) and juxtaposing this with their manual, the Plan failed to capture the approving authority for a particular line item/product. It is instrumental to note that the fifth Schedule of Act 663, as amended, breaks down the threshold limits for procurement methods. In 2022, ECG's procurement plan stated the procurement methods for its goods planned to be purchased mostly as Selective Tendering, Price Quotations, International Competitive Tendering (ICT) and the Framework Agreement. A cursory look at the plan suggests that the other procurement methods other than the ICT were all locally sourced. However, the locally sourced goods estimated prices per ECG's plan failed to capture the approving authority, and even if the threshold in ECG's procurement manual were applied, falls in contravention of the established PPA guidelines on thresholds as captured in the fifth schedule of the Act 663 as amended.

4.6.4 Procurement Queries

- iii. **Initiation dates for procurement activities.** Though the procurement plan captured the tender date for each activity/item to be procured, the plan basically captured only planned dates within which to raise the tender document but failed to state the actual dates the tender document was raised. Also, almost all the goods planned to be procured for the fiscal year were all scheduled (as can be seen in the plan) for commencement of procurement on, if not the same dates, almost the same dates. Almost all items tender documents were scheduled to be raised either on 12th June 2022 or 20th June, 2022.

This, the Committee, is of the strong assertion goes against procurement best practices on adequate planning and scheduling as their scheduled dates on an activity per the plan were basically unrealistic. Tender invitation date, Tender closing and opening, evaluation approval, date of contract award and arrival of goods. Only the arrival and inspection of goods had slight date spacing with regard to the implementation of the activity. Also, the plan only captured planned initiation dates but failed to capture the actual initiation dates for these activities per each deliverable as mandated by the procurement law.

Under the services category, it was noted that ECG's procurement manual, section 11.3, procurement method planned for execution was Single-source procurement/direct award. Single source is captured under Section 40 of Act 663 as amended. The reasoning behind single source per the PPA Manual, section **4.2.5**, is procurement from a supplier without competition (direct procurement) and is subject to a specific approval being granted by the Public Procurement Board. Per the manual, single source procurement may be appropriate when the purchase is for urgently

4.6 Key Findings: Procurement Practices in ECG.

4.6.5 Procurement Queries

needed products, provided this is restricted to the minimum quantity to meet the urgent need until a purchase by other methods can be fulfilled or the requirement can only be supplied by one source for physical, technical or policy reasons, for instance, the required equipment is proprietary and obtainable only from one source or when national security (non-economical) considerations are paramount.

However, the Act 663 as amended gives other preferred and efficient methods in order to achieve value for money. These methods are spelt out in the reasoning for a procurement entity to so open up its activities for other methods per section 35 to 39 and even so captured in ECG's manual chapter 4, 5 and 6. These methods available to an entity includes International Competitive Tendering (ICT), National Competitive Tendering (NCT), Two-Stage Tendering (National or International), Restricted Tendering (National or International), Competitive tendering using ICT and for low valued activities, Request for Quotations (RFQ).

Another notable fear with the plan with regards to goods and works is the procurement selection method. It is glaring on the face of the record (the 2022 procurement plan) that about Ninety-Eight percent (**98%**) of the planned procurement activities are skewed to Selective Tendering (that is, Restricted Tendering), leaving only **2%** of the activities shared between the other single source, Price quotation, Framework Agreement and international competitive Tendering. The plan had 0% national competitive tendering. A cursory look at the plan reveals that most of the activities should have used efficient methods such as NCT.

4.6 Key Findings: Procurement Practices in ECG

4.6.6 Contract Summary Sheet for 2022

Act 663, as amended in Part Four, states the methods of procurements entities are to comply with. To buttress this position on ECG's failure to apply more competitive methods to allow for efficiency and competition, the contract summary sheet for 2022 which the Committee obtained had about **One Hundred and twenty (120)** on actual contracts which were awarded through almost **Ninety-Eight per cent (98%)** Selective Tendering.

CONTRACTS ISSUED in 2022, 2023, 2024 SUMMARY SHEET

Package numbers on the summary sheet did not correspond with those on the procurement plan for the year under review. The summary sheet, however, captured the package numbers as required by law. However, the Plan failed to capture the same rightly.

BULK BREAKING

The alarming issue on bulk breaking: The years 2022, 2023, and 2024 awarded contracts sheet information on activities procured revealed that massive bulk breaking happened within these periods. This defeats the principle of economics of scale.

The Act 663, as amended, frowns heavily on bulk breaking as it defeats the benefit of procuring on large scales or economies of large scale are defeated.

The issue of bulk breaking also indicates that ECG's Directorate did not adequately plan, Directorates worked in silos, and did not coordinate. This falls short of the Procurement laws.

The Committee noted that ECG's manual did not touch on banning the Procurement Directorate from bulk breaking.

4.6 Key Findings: Procurement Practices in ECG

4.6.7 Bulk Breaking Procurement

Procurement Plan: The Committee observed that most of the issues drawn from the **2022 Procurement Plan were replicated in the 2023 Procurement Plan.** Issues regarding Package numbers, Approving Authority, Procurement Methods and others. The Plan (2023) saw a slight improvement with regards to initiation dates where activities were not bundled to be initiated within a particular period.

Below are a few activities that witnessed bulk breaking between 2022 to 2024

YEAR	DATE/PERIOD OF AWARD	ACTIVITY procured	NUMBER OF COMPANIES AWARDED
2022	Jan to May	poles	More than 5 different packaged procurement and companies awarded
	Feb to March	Cables	More than 6 different packaged procurement and companies awarded
	Nov to Dec	Conductors	More than 13 different packaged procurement and companies awarded
2023	31st to 2nd Feb	conductors	More than 20 different packaged procurement and companies awarded
	13th – 23rd march	Tower clips	More than 7 different packaged procurement and companies awarded
	19th to 26th May	Conductors	More than 23 different contracts packaged and companies awarded
	June to July	Conductors	More than 60
2024	Jan	Conductors	More than 52 different packaged procurement and companies awarded
	Feb	Conductors	More than 34 different packaged procurement and companies awarded
	Jan to Feb	Poles	More than 14 different packaged procurement and companies awarded
	March to May	Poles	More than 18 different packaged procurement and companies awarded
	Aug to Sept	Poles	More than 17 different packaged procurement and companies awarded

4.6 Key Findings: Procurement Practices in ECG.

4.6.8 Procurement in excess of approved budget (overspending)

It was again noticed that every year, ECG heavily procured thus, overspent its approved budget with regards to procurement. The Committee randomly selected the most recent years for review. The years under review were **2022, 2023, 2024**.

The table below gives a summary of planned contract sums as against what was actually spent for the year.

(in Ghana Cedis)

Year	Value of Planned Procurement	Value of Actual Procurements	Deviation from Planned Procurements	% Deviation
2022	1,777,741,456.87	460,144,408.77	1,317,597,048.10	74%
2023	935,496,886.53	8,328,750,409.60	(7,393,253,523.07)	-790%
2024	1,397,760,249.76	8,209,077,065.80	(6,811,316,816.04)	-487%

NB: The contracts awarded in Euros, United States Dollars and Pound Sterling were converted into Ghana Cedi using the annual average exchange rates from the Bank of Ghana

4.6 Key Findings: Procurement Practices in ECG.

4.6.9 Approval from The Entity Tender Committee

What was more worrying was the issue of no trace or evidence in seeking concurrent approval from the Entity Tender Committee (ETC) on the excess spending. In the opinion of the Committee, this issue thus links to the non-availability of funds to pay for the commitment with regards to procured activities.

A careful look into some of the procured activities that led to the overall spending for the year gives a better understanding on the matter. The Committee selected the years **2022**, **2023** and **2024** and focused on 2 most procured activities for review and better understanding.

Year	Selected Activity	Planned Contract Sum (GHS)	Total spent for year (Actual) (GHS) estimated	Difference between Planned and Actual (GHS)	Remarks
2022	Conductors	225,410,510.70	1, 165, 744, 950.00	910,334,439.00	No trace of vehement to approved budget
	Wood poles	124, 103, 939.35	586,142, 275.00	462, 038, 336.00	No trace of vehement to approved budget
2023	Conductors	205,112,473.34	5,901,551803.40	5,696,439,330.06	No trace of vehement to approved budget
	Wood poles	109,882,197.31	962,310,650	852,428, 453	No trace of vehement to approved budget
2024	Conductors	205,112,473.34	3,691,436, 276.00	3,486,323,802.66	No trace of vehement to approved budget
	Wood poles	2, 614, 225.99	1,564, 1080, 057.2	1, 561,493, 831.21	No trace of vehement to approved budget and No approved change of galvanized poles to treated wood
Total (3) years				12, 969,058,191.90	

4.6 Key Findings: Procurement Practices in ECG.

4.6.10 Excessive use of Price Quotation and Single Source for High Valued Contracts

It was again noticed that ECG for the past **3** years, **2022, 2023,2024** (random selection of years) applied heavily, Single-Source Procurement and Request for Quotation to almost all its procurement activities including very high valued contracts. Though these are methods that the procurement law prescribes, the Act 663 as amended, and the manual is instructive as to which activities these two methods should be used for. Single source is applied to terrains where specialty is skewed to very limited suppliers or only one supplier while Request for Quotation (RFQ) are mainly for low valued procurement activities.

Procurement best practices in conjunction with our procurement laws advise strongly, the use of more appropriate methods which gives high returns with regards to value for money. These methods are enshrined in our laws and includes the National Competitive tendering (NCT). NCT is applied in circumstances where there are several suppliers/contractors who can deliver the activity. The method brings to bare competition regarding quality, standards, cost among others.

In the actual activities procured, ECG also used proprietary and Board approvals as a procurement method. These methods are not prescribed in the laws pertaining to public procurement.

4.6 Key Findings: Procurement Practices in ECG.

4.6.11 Procurement Method and Volume of activities Procured in ECG

Below is the breakdown of the procurement method and the volume of activities that were procured

YEAR	SINGLE SOURCE	NCT	RT	RFQ	PROPRIETARY	BOARD	TOTAL NUMBER OF CONTRACT	%BREAK DOWN
2022	33	0	0	100	9	0	142	SS-23% RFQ-70% Proprietary-9%
2023	512	0	0	166	4	21	703	SS-72.83% RFQ-23.61% Proprietary-0.57% Board-3.0%
2024	425	0	0	169	0	7	601	SS-70.72% RFQ-28.11% Proprietary-0 Board-1.16%

NCT – National Competitive Tendering

RFQ – Request for Quotation

RT - Restricted Tendering

4.6 Key Findings: Procurement Practices in ECG.

4.6.12 Summary of Contract Values Awarded in 2022,2023 & 2024.

YEAR	REMARKS
2022	➤ Items worth over Nine Million Dollars (\$9,000,000) have been awarded under price quotation, over GHC16 million Ghana Cedis awarded to procure computers and accessories, other contract values ranged from over GHC2million, GHC1million
2023	➤ Items worth over Forty Million Dollars (\$40, 000,000) were awarded under price quotation to procure conductors, over Twelve Million Ghana Cedis (GHS 12, 000,000) was used to procure mobile fuel station using price quotation, over One Million Ghana Cedis (GHS 1,000,000.00) have been awarded under Price quotation to procure climbing shoes, other contract values ranging over One Million Ghana Cedis (GHS 1,000,000.00) was used to procure items such as car tyres, Samsung galaxy tabs
2024	➤ Five Million Dollars (\$ 5,000,000) was used to procure desktop computers, ladders, vehicle spares, and over Seven Million Dollars (\$ 7, 000,000) on Linesman safety Belt each on single source procurements.

4.7 Key Findings: Review of ECG's Procurement Manual against Act 663

4.7.1 Review of procurement manual against act 663

During discussions with the Directors and Managers of ECG, they all alluded to a Procurement Manual ECG abides by with regards to Procurements using the IGF. Director, Procurement, Premises & Estates particularly stated that the manual was what the Procurement Directorate typically adheres to when it seeks to procure goods, works and services.

The Committee obtained a copy of ECG's manual for review, and it was noted first and foremost that the Manual had no **Approving Authority**. The implication is that ECG confirmed it never abided by Act 663 as amended, ECG has not been granted an exemption from PPA, and it procured according to this unapproved manual; in essence, **ECG procures under no regulatory guidance**.

This section also reviews the unapproved procurement manual ECG has been adhering to over the years and to ascertain whether or not it is tailored to the regulatory frameworks governing procurement in the country. These regulatory frameworks include the Procurement Act (Act 663) as amended with Act 914, Public Financial Management Regulation 2019 (LI 2378), Electricity Regulations 2008 (LI 1937), and Public Utilities Regulatory Commission Act 1997 (Act 538).

The procurement review also seeks to establish the reason ECG, instead of using the main law governing procurement, has rather resorted to its own unapproved internally developed procurement manual.

Finally, the review will also answer the question whether or not ECG ensured that the Procurement laws and the other accompanying laws were resorted to in carrying out its activities.

4.7 Key Findings: Review of ECG's Procurement Manual against Act 663

4.7.2 Review of ECG's Procurement Manual

It is worthy to note that, this review is carried out in relation to the procurement of electrical items stored in forty (40) and twenty (20) footer containers held up at Tema port (Accra-Ghana) which has incurred demurrage costs.

The ECG Procurement Manual was introduced and purposed to provide ***guidance to all ECG staff*** with activities related to procurement while adhering to international best procurement practices. Other tenets of the manual are to ***ensure transparency, good financial management, equal opportunities for all eligible competitors*** on procurement practices across all units and departments within the ECG with a view to ensure a transparent procurement system that, is central to good financial management and offers equal opportunities for all eligible competitors.

The scope of the manual applies to IGF, gives priority to local content, and enhancement of the Ghanaian economy while abiding to the manual prescribed procurement processes and procedures.

Observation

1. The basis of the development and use of ECG's manual was unascertained, and approval from the Public Procurement Act (PPA) was not attained.

4.7.3 Review of ECG Procurement Manual cont'd.

2. The Public Procurement Manual in Section 2.2 listed ECG as a State-Owned Organization (SOE) thus, a firm exemption from PPA would have given ECG the basis for developing its own procurement manual.

For the benefit of the doubt, a state-owned enterprise is defined by the Public Financial Management Regulation 2016 (Act 921); the interpretation section defines a “state-owned enterprise” as an entity whether incorporated and shares are wholly or partially held or controlled by the Government.

3. The definition of who an SOE is affirms ECG as an SOE due to the following;
- a. The Government of Ghana (GOG) is the sole shareholder.
 - b. GOG appoints the Board members.

4.7 Key Findings: Review of ECG's Procurement Manual against Act 663 as amended with Act 914

4.7.4 Why ECG must tailor its Procurement in line with Act 663 as amended with Act 914.

In Sections 1.3 and 8.2 of ECG's procurement manual labelled "Structure of the Directorate and Decentralized Procurement", procurement units are established and run from the regions by the Regional Materials and Transport Manager (RMTM) without the involvement of any procurement staff or skill. This implies that, the regions procured goods and services without the involvement of the Procurement, Premises & Estate Directorate at the Head office in Accra. It was also revealed that the procurements in the regions were carried out without recourse to Act 663 as amended with Act 914, and reports were not submitted to the Procurement Directorate.

4.7 Key Findings: Review of ECG's Procurement Manual against Act 663 as amended

4.7.5 Use of IGF and methods that apply

From ECG's manual, it is stated in section 3.0 on "Funding sources and Procurement budget" that ECG applies its own procurement method (by using its own manual) in procuring. Per the ECG manual, for all IGF or donor funding funds, the manual will apply, and for Government of Ghana (GOG) funding, the Act 663 as amended will apply.

This policy direction is problematic due to the following reasons;

1. ECG is a state-owned enterprise with 100% GOG being the shareholder;
2. ECG has applied for exemption from procuring in accordance with Act 663 as amended but approval by the Authority has not been given;
3. The several accounts that ECG holds makes it uncertain whether the funds applied to procure is either IGF or GOG funding. This suggests that, a GOG fund could be used to procure an activity in accordance with the ECG manual's methods which does not foster efficiency; and
4. ECG's manual falls short heavily in relation to Act 663 as amended and the Procurement manual. This implies that the applications of its procurement procedure fell short of the expected mandates per the law.

4.7 Key Findings: Review of ECG's Procurement Manual against Act 663 as amended with Act 914

4.7.6 Procurement Planning

Section 3.2.2 of ECG's Manual on "Procurement Planning" directs the need for adequate planning so as to reduce rush orders and reduce cost. However, a random selection of the latest 3 years (2022,2023,2024) procurement years/period revealed that, ECG fell short of this directive.

In addition, the procurement plan of ECG is not tailored with the Public Procurement Authority's plan stated in Act 663 as amended. It is thus recommended ECG must adopt the authorized plan.

4.8 Key Findings: Competency of the Procurement Directorate.

4.8.1 The Qualification of the Procurement Director /Mergence of Procurement and Premises & Estate Directorates.

It is expected that the Director of Procurement should possess the requisite skills, competence and qualifications in order to lead the Directorate in the right direction. Listening to the current Director of Procurement, it was evident that the then Board of Directors reassigned the current Director of Procurement, Mr. Samuel Tagoe, who was the then Director, Premises and Estates, to a newly created Directorate called Procurement, Premises & Estate Directorate in February 2023. This re-assignment was done at a Board meeting without any interview, as is expected for such a high-level position.

Prior to this, the then Director of Procurement, Ing. Jacqueline Ofori Atta who had occupied that position for 5 years was informed about the mergence of the 2 Directorates at a Board meeting and was reassigned to the Engineering Directorate. She is currently the Director of Engineering in ECG.

The Committee noted it was during and after the period of the mergence of the Procurement and Premises & Estate Directorates that ECG's "over-procurement" problems amplified, and the containers started piling up at the Port.

It was revealed that Mr. Samuel Tagoe did not possess the needed qualifications with regards to heading a high level position as Head of Procurement per the Curriculum Vitae (CV) he submitted to the Committee. His qualification is sampled below. This is compared with the Committee's recommendation on what the Director procurement should possess.

4.8.2 Sample of Director of Procurement's Curriculum Vitae

EDUCATIONAL BACKGROUND
Second Degree: Master of Business Administration (MBA.). Finance Option
First Degree: B.Sc. Building Technology –
Computer Literacy – Microsoft Word, Microsoft Excel, Microsoft Project, PowerPoint, Access, AutoCAD, etc
Professional Body – Association for the Advancement of Cost Engineering (AACE International, headquarters in USA)
OTHER SHORT COURSES
Emotional Intelligence, Corporate Governance and Executive Leadership
Construction Claim Management
Project Management Professional Course (PMI)
Seminar on Project Management using <i>Microsoft Project</i>
Seminar on Communication and Negotiation Skills for Professionals
Procurement Procedures for World Bank Aided Projects
Seminar on Guidelines on World Bank Procurement Procedures – Goods, Works
Previous experience in the field of Procurement
None
Membership of a Professional Body in Procurement and Supply chain
None

4.9.1 Incoterms issues

Incoterms are international shipping and selling agreements and terms set by the International Chamber of Commerce (ICC) that the buyer and seller of goods both agree to during international transactions. They provide a universal set of rules and guidelines that help facilitate trade and can be used in a variety of activities necessary to conduct business.

Most commonly used incoterms include

- EXW (Ex Works)
- FCA (Free Carrier)
- CPT (Carriage Paid To)
- CIP (Carriage and Insurance Paid To)
- DAP (Delivered at Place)
- DPU (Delivered at Place Unloaded)
- DDP (Delivered Duty Paid)
- CIF (Cost, Insurance and Freight)

4.9 Key Findings: Review of ECG's Payment Terms with Suppliers/Contractors

Interactions and documentary evidence from ECG's contract documents revealed that ECG adopted the CIF incoterm to its international procurement. This incoterm implies that the Supplier ends his contractual obligation once the goods are delivered at Tema Harbour. The Committee is of the belief that, adopting incoterm DDP which is Delivered Duty Paid where the supplier would have to be paid upon delivery of goods to ECG's warehouse may ease the burden of clearing or issues of demurrage as the supplier is made to handle the entire cycle till delivery of the goods at ECG's designated warehouse before final payment is made to the supplier. This method diverts most of the risk to the supplier.

In addition, the payment terms picked from most of the international contracts was **Ninety percent (90%)** spread out from proof that the goods had been procured up to delivery of same at the Tema Port and the final payment of **10%** upon clearing by ECG and that goods were defect free. **It is recommended that; the payment terms to suppliers should be revised to allow for flexibility in payment so as to yield a win-win benefit.**

Connected to the above point the issue of over procuring in excess of the approved budget which has been elaborated in more detail. In previous years, procurement was carried out in tandem with the approved budget and the approved procurement plan hence, the ability for the entity to finance the entire cycle without any hitch. ECG has procured in excess of its approved budget and Plan, therefore it is confronted or challenged with the issue of funding the clearing of the containers when they arrived at the port.

4.10 Key Findings: Review of ECG's Procurement Directorate Record Keeping.

4.10.1 Procurement Records

Poor Records Keeping. No file/folder is dedicated and labelled for each procurement activity. Request for procured activities over the years revealed that there was no file created for each procurement activity. Basically, contracts were all kept separately without proper filing. The procurement law and manual are instructive in this regard.

No requisition for Procurement Activities: Procurement Plan of an entity is made up of the cumulative departmental needs. User department must raise or initiate these needs per the Plan, this is called User Requisition. This requisition states the item needed by the department, the specification of the item(s) among others. User Departments must initiate a procurement through its requisition before the Procurement Directorate begins its procurement. Section 4.20.4 of the Procurement Manual is instructive in this regard.

On the contrary, this is not the case at ECG. It was revealed that the procurements that were carried out over the years (2022, 2023, 2024 as a case study) were not necessitated by any requisition from the User department. This is most likely to be one of the issues that led to excessive procurements without any need by the User Department. The Procurement Directorate initiates the procurement on its own. However, the ECG manual acknowledges the role of the User department in its manual in Sections 2.3 and 9 respectively.

PUBLIC NOTICE OF PROCUREMENT CONTRACT AWARD

ECG failed to furnish the Committee with documents to prove that it published notice of procurement contract awards. In Section 31 of the Act 663 as amended must publish all awarded procurement contracts on the PPA website. Interestingly, for all the **3 years (2022, 2003, 2024)** under scrutiny, no single awarded contract to Suppliers had been published by ECG on the PPA website.

4.11 Key Findings: Discussions/Interviews

4.11.1 Key Points raised from Engagements with the Director of Procurement Premises and Estates

1. The Director of Procurement, Premises and Estates confirmed to the Committee in a discussion that the containers piled up were procured by him under the influence and instructions of the then Managing Director. This was due to “over procurement” and award of contracts to specific suppliers without subjecting the procurement contract through the required procurement methods and processes as stated in Act 663 as amended with Act 914.

2. He further confirmed to the Committee that Staff of the Procurement Directorate communicated with the suppliers or Contractors. This admission implies that the staff may disclose details of an application for pre-selection and pre-qualification to some of the competing tenderers. Section 32A of Act 663 as amended prohibits a procurement entity from disclosing information to a supplier or contractor if the disclosure will prejudice commercial interest of a supplier and impede fair competition.

Moreover, it states in the subsection (3) that a “discussion or negotiation between a procurement entity and a tenderer is confidential. A person concerned with the discussion or communication in a procurement process shall not disclose any confidential technical information, price or other information to another person without the consent of the other party”. A person commits an offence when this provision is not adhered to.

4.12 Key Findings: Head of a Procurement Entity

4.12.1 Responsibilities and Liabilities of a Head of a Procurement Entity.

Section 19 of Act 663 as amended, states, the Head of the procurement entity is obligated to establish a procurement unit within the entity, which shall be headed and staffed by qualified procurement personnel, and the Head of Procurement shall appoint the head of procurement to be the secretary for the Entity Tender Committee.

Act 663 as amended states the responsibilities and the Functions of the Head of a procurement entity in its Sections 17 and 18 respectively. The combined effect of the Sections indicates:

1. The head of a Procurement Entity is responsible and accountable for actions taken and for instructions with regards to the implementation of the Act 663 as amended.
2. The Head of entity shall be held liable for acts inconsistent with the Act.
3. The Head of Entity shall ensure that provisions of the Act are complied with specifically:
 - i. Empanel competent and qualified evaluation panels
 - ii. Ensure that at each stage of the procurement activities, procedures prescribed in this Act have been followed
 - iii. Exercise sound judgment in making decisions
 - iv. Refer to the Entity Tender Committee for approval for a procurement above the approval threshold of the head of the entity.
4. The Head of Entity is mandated to apply the thresholds that relate to heads of entities as specified in the Second and Third Schedules in the Act, facilitate contract administration and ensure compliance with the reporting requirements under this Act.

4.12 Key Findings: Head of a Procurement Entity

The Committee, however, observed from the contracts in **2022, 2023 and 2024** awarded to suppliers that the former Managing Directors awarded contracts over and above the thresholds stated in the Second and Third schedules of Act 663 as amended. A number of the contracts were awarded in foreign currencies like the United States Dollars and Pounds Sterling.

An Entity such as ECG placed under Category B in the First Schedule of Act 663 as amended is required to adhere to the threshold stated in the Act. The threshold for the award of contracts of goods works, and services by an Entity Head are **One Hundred Thousand Ghana Cedis (GHS100, 000), Five Hundred Thousand Cedis (GHS 500,000) and One Hundred Thousand Cedis (GHS100,000)**, respectively. Any amount above these stated thresholds has to be approved by either the Entity Tender Committee (ETC) or the Central Tender Review Committee (CTRC) as stated in the Second Schedule of Act 663 as amended.

4.13 Key Findings: Different Valuations of Goods and Services Procured Between 2022 and 2024.

4.13.1 – Valuation of goods and services procured.

The documents accessed by The Committee revealed different valuations of Goods and Services procured between 2022 and 2024 reported by the Procurement and Legal Directorates:

CONTRACT VALUES					
PROCUREMENT DIRECTORATE	GH¢	USD	EURO	GBP	
2022	53,974,938.95	38,096,158.71	235,314.070	1,730,736.68	
2023	118,972,731.94	682,645,790.80	3,372,706.06	3,277,217.00	
2024	131,673,200.97	531,082,251.75	8,119,317.38	2,881,551.40	
	250,645,932.91	720,741,949.51	8,119,317.38	2,881,551.40	
LEGAL DIRECTORATE					
2023	GH¢ 141,311,502	USD 459,891,931.59	-	-	
2024	243,497,757	757,269,257.98	-	-	
	420,360,042	1,381,138,501.07	-	-	

The above table tells a story of poor record keeping of goods and services procured by ECG over the years; the record keeping of the containers imported, as reported in 4.2.1, revealed the same trend.

4.14 Key Findings: Contract awarded to Mint Logistics Ltd.

4.14.1 – Mint Logistics Ltd. – Engagement with ECG

Mint Logistics Ltd's engagement with ECG dates back to 2017. The company was engaged to clear **One Hundred and Thirteen (113)** L&R containers, out of which they successfully cleared and delivered **Seventy-Seven (77)**.

The remaining **Thirty-Six (36)**, though cleared by Mint Logistics Ltd., could not be delivered to ECG in 2023 due to lack of storage space as claimed by ECG. Accordingly, these **Thirty-Six (36)** containers are still lying at the port at the mercy of the weather and potential thieves.

Having failed to make money available to clear their containers of goods, resulting in over **Two Thousand Five Hundred (2, 500)** of them going to UCL, ECG verbally engaged Mint Logistics Ltd. to profile all ECG containers on UCL.

Mint Logistics Ltd successfully profiled **One Thousand One Hundred and Ten (1,110)** containers for ECG and was subsequently awarded a contract to clear same at **One Hundred and Sixty Thousand Cedis (GHS 160,000)** per container (irrespective of the size and content), effective 18th November 2024.

Hence, Mint Logistics Ltd. per the signed contract an amount of **One Hundred and Seventy-Seven Million, Six Hundred thousand Ghana Cedis (GHS177,600,000)** to clear **One Thousand One Hundred and Ten (1,110)** containers at the port.

However, the Committee's checks reveal that Mint Logistics Ltd. passed the declaration for the **One Thousand One Hundred and Ten (1, 110)** containers and an additional **Fifty-Two (52)** containers, which were not part of the initial contract. This brought the total number of containers allocated to Mint Logistics Ltd. to **One Thousand, One Hundred and Sixty-two (1,162)**.

4.14 Findings: Contract awarded to Mint Logistics Ltd.

4.14.2 – Mint Logistics Ltd. – Qualification.

Custom House Agents are individuals or entities who have been licensed as agents for transaction of any business relating to the entry or departure of conveyance.¹ This implies that a person or company without licence to clear goods at the port will not be permitted by to clear the goods by Customs.

The Committee observed that Mint Logistics Ltd. was not a registered Clearing Agent per customs regulations. No document was submitted to the Committee to prove that the company is a licensed clearing agent. That notwithstanding, for the purposes of being awarded the contract, Atlas Manufacturing and Engineering Company in a letter dated 15th March, 2024 addressed to ECG described Mint Logistics Ltd. as a Self-declarant.

When the Contract to clear the containers were awarded to Mint Logistics Ltd., they sought the services of Hans Shipping Services Ltd who were licensed Clearing Agents to clear the containers.

Act 663 as amended with Act 914 in Section 22 in subsection (1) states categorically that a tenderer must possess the necessary professional, technical qualifications. Managerial capability, experience in the procurement object and the personnel to perform the procurement contract amongst others must all be present.

¹ <https://gra.gov.gh/customs/customs-agents>

4.14 Findings: Contract awarded to Mint Logistics Ltd.

It is the Committee's opinion that pursuant to the above stated provision in the Act, ECG failed to do its due diligence by ensuring that a clearing contract to clear its containers at the port is awarded to a company with the necessary license to actually perform the contract.

4.14.3 – Mint Logistics Ltd. – Clearing Operations.

The company passed a Bill of Entry (BOE) Number 40824427789 on the 30th of August 2024 using Hans Shipping Services Limited Customs Clearing Platform to clear **Thirty-Two (32)** containers. A total of **Two Million, One Hundred and Thirty-Three Thousand Two Hundred and Twenty-Seven Ghana Cedis and Seventy-Eight Pesewas (GHS 2,133,227.78)** being Duties/Taxes was paid. All the **thirty- Two (32)** containers have been cleared from the port and have been delivered to ECG's warehouse.

Mint Logistics Ltd. again passed a BOE Number 40924474308 on 25th of September, 2024 using Hans Shipping Services Limited Clearing platform to clear **Seventy-Five (75)** additional containers. Duties/Taxes paid for this clearance totalled **Two Million Eight Hundred and Forty-Two Thousand Seven Hundred and Sixty-One Ghana Cedis and Thirty-One Pesewas (GHS 2,842,761.31)**. Even though the BOE has exited per the Integrated Customs Management System (ICUMS), the containers are still at the port yet to be delivered to ECG.

On the 25th September 2024, Mint Logistics Ltd. through Hans Shipping Services Ltd. passed a BOE Number 40924474311 to clear **Two Hundred and Seventy-Nine (279)** UCL containers for ECG. The BOE is currently at "Assessed" stage and the Duties/Taxes to be paid stood at **Thirteen Million, Four Hundred and Sixty-Eight Thousand, Four Hundred and Eighty-Eight Cedis (GHS13,468,488.00)**. The Tax Bill has been generated but payment is yet to be effected. The containers are still at the Port.

4.14 Key Findings: Contract awarded to Mint Logistics

The company again passed **3 Bill of Entries (BOEs)** (41024504316, 41024504319, 41024504866) for **Two hundred and Fifty-two (252), Two Hundred and Forty (240) and Two Hundred and Forty-Seven (247)** Containers respectively on the 9th of October, 2024. All the BOEs are at the “**Verified**” stage. Duties/Taxes calculated were **Fifteen Million, Three Hundred and Ninety-Four Thousand, Three Hundred and Ninety-Eight Ghana Cedis and Nineteen Pesewas (15,394,398.19), Fourteen Million, Six Hundred and Ninety-One Thousand, Forty Cedis and Twenty-Seven Pesewas (14,691,040.27)** respectively. **NO Tax Bills** were generated, and **NO Payment** was made. The containers are still at the port yet to be cleared and delivered to ECG.

In all, Mint Logistics Ltd, through Hans Shipping Services Ltd., passed **Seven (7) BOEs** to cover **One Thousand and Eighty-Seven (1,087)** UCL containers for ECG. A total of **Sixty-Nine (69)** containers were cleared and delivered to the ECG warehouse. **Seventy-Five (75)** containers were cleared with all the Duties/Taxes fully paid but yet to leave the port to be delivered to ECG. Processes with respect to payment of Duties/Taxes are yet to be completed for **One Thousand and Eighteen (1,018)** containers. The containers are still at the port.

A total of **Thirty Million Cedis (GHS 30,000,000)**, have so far been paid to Mint Logistics Ltd. for the services rendered to ECG.

4.15.1 – Dawards Bond Ltd. – Engagement with ECG

1. Dawards Bond Ltd was awarded a contract by ECG to clear **Two Hundred (200)** UCL Containers on ECG's behalf.
2. The contract price for clearing a container irrespective of size or content, was **One Hundred and Fifteen Thousand Ghana Cedis (GHS115,000)**. The total contract value therefore stood at **Twenty-Three Million Cedis (GHC23,000,000.00)**, and the cost included the following charges:
 - a. Customs Duties and Taxes.
 - b. Shipping Line Demurrage Waived.
 - c. Terminal Handling Rent Waived.
3. The Company was required to pre-finance the contract and was to execute the job in **4** weeks as expressly stated in the contract.
4. Dawards Bond Ltd initially processed to clear **Fifty (50)** out of the **Two Hundred (200)** containers awarded to it, and out of the **Fifty (50)**, **Forty-Six (46)** containers were delivered to the ECG warehouse at Tema.
5. The ECG officer in charge of the warehouse in Tema confirmed taking delivery of the **Forty-Six (46)** containers from Dawards Bond Ltd.

4.15 Key Findings: Contract awarded to Daward Bonds Ltd.

4.15.2 – Dawards Bond Ltd. – Clearing operations

1. The Committee, from ICUMS revealed that Dawards Bond Ltd. fraudulently used ECG's own Customs House Clearing platform to pass a **BoE Number 40324113385 on 7th March, 2024** for clearing **Eighteen (18)** of the **Forty-Six (46)** containers. Even though **Seventeen (17)** containers were delivered to the warehouse, the STATUS of the BOE currently indicates that it is at "Verified" stage and showing Duties and Taxes payable to be **Seven Hundred and Twenty-Nine Thousand, Nine Hundred and Forty-Nine Ghana Cedis and Eighty-Eight Pesewas (GHS729,949.88)**. No Tax Bill was generated and therefore no payment was made. The **Seventeen (17)** containers, even though, per the ICUMS were supposed to be at the port, have been duly delivered to ECG by Dawards Bond Ltd.
2. Dawards Bond Ltd. passed a **Bill of Entry Number 41124605698 on the 28th of November, 2024** using the ECG's own Customs House Clearing platform to clear **6** additional containers. The BOE STATUS is currently at "Verified" stage and showing Duties/Taxes Payable to be **One Million Five Hundred and Seventy-Five Thousand Nine Hundred and Sixteen Ghana Cedis Forty Pesewas (GHS1,575,916.40)** but NO Tax Bill was generated, and no payment was made even though, the 6 containers have been confirmed delivered to ECG.

4.15 Key Findings: Contract awarded to Dawards Bond Ltd.

4.15.2 – Dawards Bond Ltd. – Clearing operations cont'd

3. Dawards Bond Ltd. also passed a BOE Number **41124608976 on the 29th November, 2024** using their own platform to clear 4 additional containers. The BOE status is currently at the “Verified” stage and also showing Duties/Taxes Payable of **Four Hundred and Twenty-Four Thousand Two Hundred and Thirty-Seven Ghana Cedis Fifty Pesewas (GHC424,237.50)**. No Tax Bill was generated and NO Payment made but the containers have been delivered to ECG.
4. The company again passed a **BOE Number 41124605657 on the 28th of November, 2024** to clear another 4 containers using the company’s own platform. The BOE STATUS is also at “Verified” stage with a Payable Duties/Taxes of **Four Hundred Thirty-One Thousand, Two Hundred and Fourteen Ghana Cedis Fifteen Pesewas (GHS 431,214.15)** but No Tax Bill was generated and NO Payment made but the containers have been delivered to ECG.
5. On the 28th and 29th November 2024, the company again passed BOE Numbers 41124605661 and 41124608979 respectively to clear **6** containers (3 containers each). Both BOEs are at the “Verified” stage. Total Duties/Taxes Payable stood at **One Million, Six Hundred and Thirty-Eight Thousand Four Hundred and Forty-Five Ghana Cedis Fifty Pesewas (GHC1,638,445.50)**. No Tax Bill was generated and No Payment made but containers were taken out of the Port and delivered to ECG.
6. Out of the **Forty-Six (46)** containers Daward Bond Ltd. cleared and delivered to ECG, BOEs passed by the company as indicated in 1 to 5 above covered only **Thirty-Eight (38)** containers. The Committee could not trace any of the rest of the **8** containers to any BOE in Integrated Customs Management System (ICUMS).

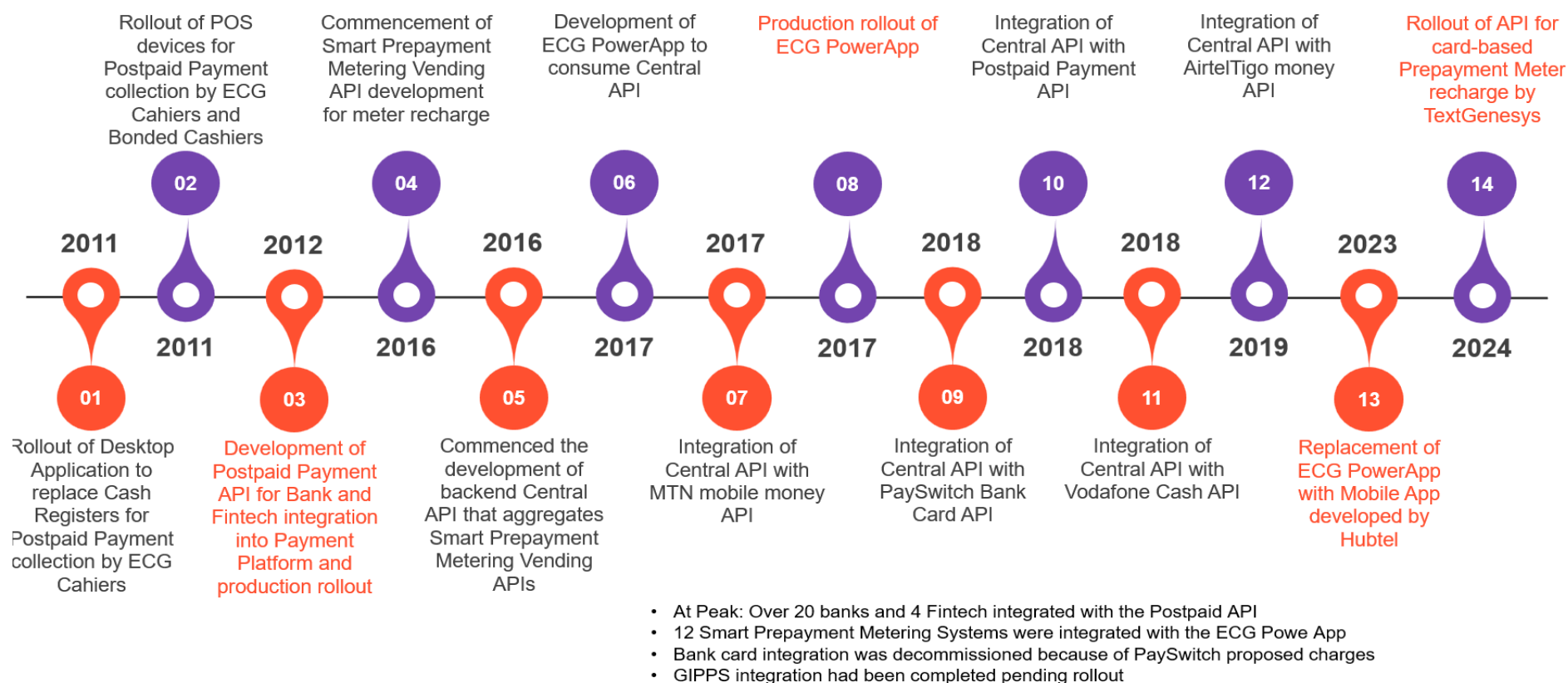
4.15.2 – Dawards Bond Ltd. – Clearing operations cont'd

7. **Nine (9)** of the fraudulently cleared UCL Containers by Dawards Bond Ltd. to ECG, have been recycled and are currently carrying various consignments for either Export or transit to either Mali or Niger to exit through Paga Customs Boarder.
8. No Payment has been made to Dawards Bond Ltd. by ECG for the fraudulent services rendered.
9. A total of **Four Million, Seven Hundred and Ninety-Nine Thousand Seven Hundred and Sixty-Three Ghana Cedis and Forty-Three Pesewas (GHS 4,799,763.43)** being Duties/Taxes were evaded by Dawards Bond Ltd. in the fraudulent clearance of the ECG UCL containers.

4.16 Key Findings- Digital Payment Platform Services Agreement.

4.16.1– Evolution of Digital Payment Services in ECG

The diagram below shows the evolution of ECG digital payment platform spanning fourteen years.²



² Opinion Paper on Hubtel Agreement, February 17, 2025

4.16 Key Findings- Digital Payment Platform Services Agreement.

4.16.1 – Evolution of Digital Payment Services in ECG cont'd

- The evolution of ECG Digital Payment Platform (DPP) spanned fourteen (14) years until 2022.
- The ECGICT Directorate operated and managed the ECG DPP and was running the PowerApp system for the DPP until 2022.
- The initial Proposal by Hubtel Ltd. was to upgrade the PowerApp by adding the Balance Management and Accounting System (BMAS) at no cost justified by the wallet float held at the bank.
- In May 2022, Hubtel Ltd. updated their proposal to be included as a 3rd party prepaid vendor though under this arrangement ECGICT retained control of the payment platform.
- In August 2022, ECGICT was instructed to hand over all development to Hubtel Ltd. which resulted in an indefinite project.
- In September 2022, the ECGICT was subjected to Economic and Organized Crime Office (EOCO) investigations leading to the public release of the source code. This, the former Director of ICT believes contributed to the cyber attacks in September and November 2022.

4.16 Key Findings- Digital Payment Platform Services Agreement.

4.16.1 – Evolution of Digital Payment Services in ECG cont'd

- The then Managing Director held ECGICT responsible for the ransomware attack, while Hubtel Ltd. supported by elements of National Security took the ICT operations and key technology decisions, ceding technological sovereignty and making ICT subservient to Hubtel Ltd.
- The ICT Directorate was dissolved by the then Managing Director, and the former Director, ICT has since been assigned to another department. He is now the Director, Energy Consulting & Renewable Energy in ECG.
- The Digital Payment Platform Service contract was executed between ECG and Hubtel Ltd. on 20th March 2024 but was to come into effect on 1 January 2023, in a bid to ratify actions performed before the execution of the contract for an initial term of 5 years.
- Below is a list of invoices/bills gleaned from the agreement.
 - a. An upfront investment of GHS 171,767,664.80 by the Service Provider and partner banks) for project implementation.
 - b. Processed transactions from November to December 2023, totaling GHS 101,105,243.98, as partial payment for Framework expenses
 - c. The total liability of ECG to Hubtel for the period of November 2022 to December 2023 is GHS197,782,908.78.
- A consolidated invoice dated July 12, 2023, details the following framework costs:
- New ECG PowerApp cloud framework: GHS 25,031,832.67
- Continuous improvement of ECG PowerApp mobile applications: GHS 28,586,001.77

4.16 Key Findings- Digital Payment Platform Services Agreement.

- Integration of payment framework with metering systems and Oracle database: GHS 50,066,087.67
- New hybrid cloud hosting infrastructure: GHS 33,868,884.43
- Implementation of AI tools for new staff mobile Operation Zero App: GHS 30,668,484.43
- ECG Roadside Cashier POS systems: GHS 3,546,173.83
- ECG is responsible for covering the costs of transition, including data and knowledge transfer.
- ECG will provide monthly payments for management, monitoring, and maintenance services, set at 0.95% fixed of the transaction revenue.

- The Committee obtained information that Hubtel Ltd's platform was developed using ECG's foundational solution and API. (an IT expert is required to verify this assertion).

- Hubtel Ltd. is to transfer the operation rights to ECG after **5** years (ECG currently has no internal control over the DPP) and is therefore susceptible to commercial sabotage by Hubtel Ltd. at any given time. This is a national security risk.

- The Committee also obtained a document indicating that ECG, prior to the execution of the contract in 2024 with Hubtel Ltd., paid an amount of **Seventy-Five Million Ghana Cedis (GHS75,000,000)** to Hubtel Ltd, which was termed the Framework Costs.

- Hubtel Ltd. remits to ECG net transaction amounts monthly, less the percentage commission, without recourse to any independent reconciliation of the monthly transaction amount.

- **ECG has paid 1.5% on transaction revenue from March 2023 to March 2024 and 3% from April 2024 to January 2025.**
- **The Committee could not access the relevant documents to confirm if the commissions withheld by Hubtel Ltd. on the transaction revenue transmitted to ECG were tax-inclusive or exclusive amounts. A total amount of Eight Hundred and Sixty-Seven Million Nine Hundred and Fifty-Four Thousand Two Hundred and Eleven Ghana Cedis and Seven Pesewas (GHS 867,954,211.07) has been withheld by Hubtel Ltd from transaction revenues transmitted to ECG as of January 2025 without recourse to provisions enshrined in the Waterfall Account Modalities.**
- Hubtel Ltd. was given Board level authorization to experiment through proof of concept knowing well that the company had. No prior proven experience in the metering domain.
- Hubtel Ltd's misrepresentation to the Board and ECG leadership caused the abandonment of the ECG data center in favour of the public cloud, without considering FinOps which is a major factor in high OPEX.
- To date, elements of National Security have been in charge of purportedly protecting ECG DPP against "saboteurs".

4.16 Key Findings- Digital Payment Platform Services Agreement

- It is worth mentioning that in procuring the services of Hubtel Ltd. to manage the Digital Payment Platform, the PPA Act, Act 663, as amended makes provision for the contract of goods, works and services as well as procedures a company has to adhere to in opting for the Single Source Procurement.
- The Committee sighted no document indicating that ECG subjected the award of the contract to Hubtel Ltd to the necessary procurement methods as enshrined in Act 663 as amended.
- The procurement of the services of Hubtel Ltd to manage ECG's Digital Payment Platform Services does not conform to the provisions of Act 663 as amended. Therefore, the procurement and the award of the contract to Hubtel Ltd. was done in bad faith, which does not serve the interest of ECG.

05

RECOMMENDATIONS

5.1 Recommendations – Containers at the Port

1. Considering the volume of Shipping/Import activities of ECG, it is recommended that in appointing Board Members, at least a Member with remarkable experience in Shipping/Customs Procedures and Processes may be included to give technical advice on the matter at the Board level.
2. ECG should apply to Commissioner Customs to clear all the non-UCL containers, as well as the newly imported containers, to their warehouse and defer payment of Duties/Taxes so that they can use the funds available to immediately clear all the UCL containers at the port to prevent further stealing and demurrage accumulation on the containers.
3. The Shipping Department of ECG should be headed by a person who is holder of a Customs Proficiency Certificate to provide technical direction to the company concerning Customs Procedures and Processes with respect to the management of clearance of goods at the port.
4. Clearing contract between ECG and Dawards Bond Ltd may be terminated since the company has failed to clear the Two Hundred (200) containers within the 4-week period as expressly stated in the contract. No payment should also be made to the company since there was no evidence of payment of duties/taxes and other charges made by the company on the containers delivered to ECG at their warehouse.
5. The clearing contract between Mint Logistics Limited and ECG should be reviewed before any additional payment is made to the company. This is because a situation where a fixed charge of **One Hundred and Sixty Thousand Ghana Cedis (GHS 160,000)** was given by the company for clearing any container, irrespective of size or content, should not be accepted.

5.1 Recommendations – Containers at the Port

6. The Ghana Revenue Authority should investigate the circumstances under which Darwards Bonds Ltd was able to move containers out of the port without paying any duties or taxes to the State.
7. The Ghana Ports and Harbours Authority should also investigate the circumstances under which Darward Bonds Ltd moved containers belonging to ECG out of the port without a trace and delivered the same to the warehouses of ECG.
8. The ECG management (past and present) whose actions resulted in this mess should be made to account for over the 1,300 containers not accessed/counted by the TC after a proper forensic audit
9. The UCL containers cleared by Mint Logistics and Dawards Bond should be traced to ECG's records at the warehouse and receipts confirmed by the ECG. The two companies must be subjected to a forensic tax audit.
10. It is mandatory for GRA officials to declare their assets every four years which is being done.
11. National Security officials must be periodically reshuffled

5.2 Recommendations – Non-Compliance with Act 663 as Amended with Act 914.

1. The Public Procurement Authority should investigate the alleged procurement breaches and exact appropriate sanctions in line with the provisions of the Public Procurement Act 663 as amended. This should apply to all officers of ECG (past and present) who superintended the alleged procurement breaches.
2. The MD of ECG should immediately engage the public procurement authority to explore ways to regularise ECG procurements with the view to bring them in line with the provisions of the Public Procurement Act, 2003 Act 663 as amended with Act 914.

5.3 Recommendations – Procurement Structure and Practices

1. Even though procurements of substantial value are undertaken at the regions, the procurement is currently represented at the head office only. As a result, divisions that do not report to the Procurement Directorate have been responsible for procurements, making coordination, management and procurement planning very difficult. ***We strongly recommend that the procurement directorate be restructured and decentralised to the regions and qualified procurement professionals recruited and trained to man these units.***
2. The Procurement unit in every organisation, besides serving all functional units, is a strategic function in any forward-looking organisation. Accordingly, it has to be a separate function and not merged with any other function in the organisation as is the case in ECG. ***Accordingly, we strongly recommend decoupling the Procurement Directorate from the Premises & Estate Directorate and making it a stand-alone directorate.***
3. Connected to the above are the background, qualifications and experience of the head of the Procurement Directorate. We observed that the current Director of Procurement Premises & Estate is an expert in Housing and Estate management with no practical, professional or academic qualification in procurement. He is also not a member of any professional body in procurement or supply chain management. The Procurement Directorate should be headed by a qualified procurement professional. This was strange because ECG has the capability to attract the most qualified and experienced Director of Procurement one can find in the country to help deliver the value that the organisation craves. ***We, therefore, strongly recommend that immediate steps be taken to recruit a new Director of Procurement with the requisite academic and professional qualifications, coupled with the right level of experience. The candidate must be a member of a recognised professional body in procurement. This***

process should be open to all qualified persons and not restricted to persons internal to ECG alone.

4. The Committee also observed with amazement that there was no coordination between the Legal Directorate and Procurement Directorate. Certain contracts were signed between the Legal Directorate and the Managing Director with no reference to the Procurement Director, also, Contracts were awarded to suppliers by the Procurement Director and the Managing Director without the knowledge of the legal Directorate. Accordingly, neither the Legal Directorate nor the Procurement Directorate could account for the total number of contracts signed between ECG and external parties. ***We, therefore, strongly recommend that these two Directorates be tasked to work together with the Managing Director to ensure that all contracts are worked on between the User Directorate, the Procurement directorate, and the Legal directorate, with copies of the contract served on the Finance, Audit, and Project Planning Monitoring & Evaluation Directorates.***
5. Connected to the above, The Committee also observed that some procurements were made between the User Directorate, the Managing Director and the Legal Directorate without such procurements going through the Procurement Directorate. ***We, therefore, recommend that this practice be stopped immediately, and the Managing Director should ensure that all procurement contracts go through the Procurement Directorate and are reviewed by the Legal Directorate before execution.***

5.3 Recommendations – Procurement Structure and Practices cont'd

6. Staff of the Procurement Directorate and the Materials & Transport Directorate should be trained and reoriented on the criticality of their roles in ensuring the organisation's success.
7. ECG must adopt more competitive methods of procurement, such as National Competitive Tendering (NCT), Restricted Tendering (RT) and International Competitive Tendering (ICT), comply with the dictates of the Act 663 as amended with regards to Single-Source Procurements.
8. The methods stated in the Procurement Plan should be followed, instances where the Director of Procurement seeks to amend the method, it has to be submitted to ETC for approval or otherwise. All minutes pertaining to ETC must be placed on the ETC file, and the actual method after approval of the same key in the actual section of the plan. These are all catered for the Public Procurement Act, Act 663 as amended.
9. The procurement Plan (Section 21 of the PPA Act as amended and Sections 3.2.1 of the Procurement Manual) is a tentative schedule or guide on the execution of procurement activities within the year. The timings of activities must be in consultation with the user department on when they require that activity to be initiated. ETC meetings are held at least once every quarter. All procurement activities are discussed at ETC.
10. International competitive tendering (ICT) is a procurement method pertaining to procurements that are sourced from outside the jurisdiction. ECG must deploy ICT in procuring items that can only be sourced from sources outside the country.

11. The Committee recommends adopting incoterm DDP may ease the burden of clearing or issues of demurrage as the supplier is made to handle the entire cycle till delivery of the goods at ECG's designated warehouse before final payment is made to the supplier. This method diverts most of the risk to the supplier
12. The Procurement Plan must capture the Approving authority as enshrined in Act 663 as amended.
13. Immediate training of the Procurement Directorate on applying strictly the PPA mandated guidelines (i.e stating realistic initiation dates in accordance with procurement best practices as well as stating the actual initiation timelines and reporting same to their ETC quarterly, Midyear, and in its end-of-year report as stated in Section 21 of Act 663 as amended is essential in this regard.
14. ECG must open procurement offices in all its regions where their presence is and or to centralize its procurement to the head office and the Act as amended must be used in procuring.

5.4 Recommendations – The Hubtel Contract

1. An IT expert should audit the Digital Payment Platform to confirm the value added to the DPP structure already built by ECGICT Directorate before the takeover by Hubtel Ltd.
2. Hubtel Ltd. must immediately allow ECGICT Directorate to own the source code and backend of the Digital Payment Platform.
3. A value for money audit be conducted on the entire contract and to confirm the over **Eight Hundred Million Ghana Cedis (GHS 800, 000,000)** paid to Hubtel Ltd.
4. Hubtel Ltd. should be the subject of a forensic tax audit.
5. It is imperative that the agreement has to be reviewed and renegotiated for fairness and value for money.
6. It is recommended that critical core systems must be managed by trusted internal talent with external partner providing support only when needed.

06

APPENDICES

PERSONS INTERVIEWED

The following is a list of all the people interviewed at various stages during the execution of this investigation:

ECG

No.	Name	Position
1	Mr. Kwame Kpekpena	Ag Managing Director
2.	Mr. David Asamoah	Deputy Managing Director
3.	Mr. Samuel Tagoe	Director/Procurement, Premises & Estates
4.	Mr. Yaw Frimpong	Director/ Materials & Transport
4.	Ing. Jacqueline Ofori-Atta	Director/ Engineering
5.	Mr. Ben Danquah	Director/ Legal
6.	Mr. Moses Okley	Former Ag. Director/ Finance
7.	Dr. Berlinda Yeboah Dwamena	Director/ Customer Service
10.	Mr. Charles Obeng	Project Planning Monitoring & Evaluation.
11.	Mr. Eric Ansah Antwi	Director/ Audit Services
11.	Ing. Aheng Owusu Afriyie	Director/ Energy Consulting & Renewable Energy.
12.	Ing. George Homey	Director/ Network Project
13.	Ms. Eunice Naana Quampah	General Manager/ Inventory Management
14.	Mr. Stephen Ayithey Mensah	General Manager/ Goods Procurement
15.	Mr. William Fianko Asare	Manager, Planning & Inventory Control.
16.	Mr. Emmanuel Anom Osafo	Ag. Manager, Shipping
17.	Mr. Joseph Okan	Manager/ Workshop
18.	Mr. Ransford Oduro	Manager/ Transport

19.	Mr. Edwin Ahiable	Manager/ Traffic
20.	Mr. Ebenezer Addo	Manager/ Foreign Goods Procurement
21.	Mr. Raymond Afari Sam	Manager/ Local Goods Procurement
22.	Mr. George Quaye	Manager/ Materials & Transport.

Ghana Ports & Harbours Authority (GPHA)

No.	Name	Position
1.	Ms. Sandra Poku	Director of Ports
2.	Mr. Seth Kofi Ansah Hagan	Manager/ Operations

Mint Logistics Ltd

No.	Name	Position
1.	Ms. Rita Ntiri	Chief Executive Officer
2.	Mr. Humphrey Homadzie	Operations
3.	Alhaji Awudi Issaka	Liason
4.	Nana Kwaku Aboagye	Consultant – Mint Logistics Ltd.

Dawards Bond Ltd.

No.	Name	Position
1.	Bernard N. O. Boakye	Chief Executive Officer
2.	Edward Osei	Operations

6.2 APPENDIX 2

Documents reviewed

The following is a list of all documents reviewed from the various stakeholders during the execution of this assignment.

ECG

No.	Document Title
1.	A letter addressed to the Minister of Enterprises dated 5 April 2022 requesting For Assistance in Securing Approval To undertake Procurement in Accordance with established Commercial Practices under section 15 of the Act 663 as amended.
2.	A letter addressed to Ministry of Finance dated 10 March 2020 requesting for approval to undertake Procurement in Accordance with Established Commercial Practices under Section 15 of the Act 663 as amended.
3.	A letter addressed to Ministry of Finance dated 20 May 2012 requesting approval to undertake procurement in Accordance with Established Commercial Practices under Section 15 of Act 663 as amended.
4.	Memorandum to the Managing Director dated 30 th March 2022 on the subject Application For exemption of ECG from Operating Under The Public Procurement Act.
5.	Legal Opinion on ECG exemption Request from Applying The Public Procurement laws To entity Procurement Activities dated 28 July 2020 Addressed to the Ministry of Finance.
6.	Mutual Confidentiality and Non-Disclosure Agreement between ECG & Hubtel Ltd.
7.	Digital Payment Platform Services Agreement between ECG and Hubtel Ltd.

8.	A letter addressed to the Ministry of Public Enterprises dated October 20 2022 requesting for exemption from Public Procurement Authority.
9.	Justification For Approval For ECG T undertake Procurement In Accordance with Established Commercial Practices.
10.	Various Contracts 2023-2024
11.	Purchasing Orders 2022-2024
12.	Bills of Lading
13.	Memorandum dated 20 July 2023 from General Manager, Materials Management Division to Directors indicating insufficient Funds for Shipping Activities.
14.	Letter dated 18 July 2023 from ECG to Ecobank Ghana Limited directing the transfer of Six Hundred and Thirty-One Thousand Four Hundred and Eighty-Seven Ghana Cedis Eighty-One Pesewas (GHS 631,487.81) to Customs Division, Ghana Revenue Authority in respect of Customs Duties and Taxes for the following Bills of Entry.
15.	Memoranda on Negotiations and Payments Plan for Uncleared Containers at the Port with Various Shipping Lines
16.	Internal Memoranda Requesting for Replenishment of Stock ECG
17.	Letters to Ghana Ports and Harbour Authority and Ghana Revenue Authority on Contracts with Mints Logistics Ltd and Dawards Bond Ltd
18.	Details of Exempted Taxes by ECG
19.	Details of Contents/List of Items in Containers at the Port
20.	Request Letter for Reinstatement of Exemption by Ministry of Finance
21.	Proposals from Clearing Agents
22.	Waivers from the Shipping Lines
23.	Materials Budget
24.	Documents on the Clearing of the Outstanding Containers

25.	Reports on Containers Cleared by Dawards Bond Ltd and Mints Logistics Ltd
26.	Report on location of all the containers according to ICUMs
27.	Memos and Proposals written
28.	Monthly reports
29.	Shipping register for 2022, 2023, 2024
30.	Cleared reports from 2022 up to date
31.	Legal Opinion/Advise on the Consequences of ECG's failure to clear the containers dated 11 th February 2025
32.	Legal Opinion/Advise on the Implications of other companies clearing containers in ECG's name dated 11 th February 2025
33.	Relevant evidence of minutes on contracts requiring relevant approval
34.	Copy of ECG Procurement Manual
35.	Memorandum on Handing Over notes from Ag. Director/Finance(Outgoing) to Director/Finance(Incoming) dated 7 th February 2025
36.	Memorandum on the Upward Review of the Managing Director's Authority Limit dated 9 th June 2022
37.	Review of Expenditure Authority Levels dated June 2022
38.	Memoranda on Board Authorisation to Pay Hubtel Ltd a total sum of GHc175 Million on 6 th April 2023 and 23 rd August 2023
39.	Letter from Hubtel Requesting Payment of GHS97,767,664.80 as Payment for completion of Digital Payment Platform Services Agreement
40.	2023 Approved Budget
41.	2024 Approved Budget
42.	2024 Procurement Plan

43.	Memoranda of Appointment of ECG's Internal Entity Tender Committee dated 24 th August 2020, 8 th September 2020 and 23 rd August 2022
44.	Letter from Director/ Materials & Transport dated 11 th February 2025 addressed to the Chairman of the Technical Committee confirming the total number of UCL containers and estimated demurrage
45.	Memorandum on Handing Over notes from Director/Finance(Outgoing) to Ag. Director/Finance(Incoming) dated 29 th September 2024
46.	List of payments to Hubtel from March 2023 to January 2025
47.	Copy of Contract for the supply of Cables and Conductors between ECG and Birchfield Ghana Ltd
48.	Internal Audit Report on Review of AMR Activities in the Tema Region for the period January to December 2023
49.	Internal Audit Report on Review of the Enhanced ECG Mobile App from October 2022 to May 2024
50.	Letter requesting refund from Hubtel
51.	Internal Audit Report on the procurement of Materials for the period January to October 2024
52.	Internal Audit Report on Materials Management Activities at the Materials Management Division, Tema for the period October 2020 to June 2021
53.	Estimated Demurrage for List of Outstanding Containers
54.	The qualification of the Audit Manager with procurement background
55.	ECG 2025 CWIP – Budget Estimate
56.	Strategy Review Report October 2024
57.	Operational Report December 2024

DAWARDS BOND LTD

1.	Certificate of Incorporation of Dawards Bond Ltd
2.	Criminal Complaint- Disclosure of Impropriety at Atlas Terminal, Tema Port Pursuant to Section 1 of the Whistleblowers ACT,2006, ACT 720 and Section 27 of the Office of the Special Prosecutor ACT,2017, ACT 959 2 nd January 2025
3.	Tax Clearance Certificate from GRA
4.	Deposit slip from ADB
5.	Authority to Operate as a Custom House Agent from GRA dated 7 th August 2024
6.	Value Added Tax Certificate of Registration from GRA
7.	Letter to ECG Managing Director Clearing and Forwarding Proposal on UCL containers dated 28 th October 2024

MINT LOGISTICS LTD.

1.	Letters from Atlas Manufacturing and Engineering Company dated 15 th March 2024 addressed to the Managing Director of ECG introducing Mint Logistics and Describing it as a self-declarant.
2.	Letter from ECG dated 19 th March 2024 addressed to GRA introducing Mint Logistics as Clearing Agent to clear containers on Behalf of ECG.
3.	Letter from ECG to GRA dated 3 rd July 2023 requesting assistance to compute customs duty.
4.	Letter from National Security to GRA dated 16 th March, 2023 on request for assistance to identify mobilize and clear Consignment of meters at the Tema Port.
5.	Letter from ECG to Director of Ports and Harbour on the authorization of clearing of ECG containers at the Tema port.

6.	Contract agreement between ECG and Mint Logistics Ltd dated 18 th November 2024.
7.	Letter from the Marine Ports & Rlys. Dept. dated 30 th December, 2024 to GRA to restrain Mint Logistics Ltd and allow Dawards Bond Ltd clear ECG containers.

GHANA PORTS AND HARBOUR AUTHORITY (GPHA)

1.	Letter addressed to Director of Ports and Harbour authorizing the clearing of ECG containers at the port by Dawards Bond signed by Ing. D.B. Asamoah dated 18 th November 2024
2.	Letter addressed to Director of Ports and Harbour authorizing the clearing of ECG containers at the port by Mint Logistics Ltd signed by Ing. D.B. Asamoah dated 19 th November 2024
3.	Letter addressed to Director-General of Ports and Harbour in the matter of Request for Assistance to Identify, Mobilize and Clear the Consignment of ECG meters at the Tema Port signed by Samuel Dubik Mahama dated 8 th August 2023

Documents reviewed

The following applicable laws and Manuals were reviewed

1.	The 1992 Constitution of the Republic of Ghana
2.	Public Procurement Act, 2003, (Act 663) as amended with (Act 914)
3.	Public Procurement Manual
4.	Public Financial Management Act, 2016 (Act 921)
5.	State Interest and Governance Authority Act, 2019 (Act 990)
6.	Public Utilities Regulatory Commission Act, 1997 (Act 538)
7.	Energy Commission Act, 1997 (Act 541)
8.	Statutory Corporations (Conversions to Companies) Act, 1993 (Act 461)
9.	Electricity Regulations 2008 LI 1937

GLOSSARY OF TERMS

1.1 Glossary of Terms

Abbreviation	Description/Operational Definition
Approved Budget	A financial plan that has been formally authorized for implementation
BL	Bill of Lading
BOE	Bill of Entry
Contract	Agreement
CIF	Cost Insurance and Freight
Custom House Agent	Company licensed to act as an agent for transaction of business relating to the import and export of goods at a custom station.
Declaration	An official document that provides details goods being imported or exported, used by customs authorities to assess duties, taxes and enforce regulations.
DDP	Duty Delivered Paid
ECG	Electricity Company of Ghana
ECGICT	Electricity Company of Ghana Information, Communication Technology Directorate
Entity	Procurement entity
GoG	Government of Ghana
Head of Entity	Managing Director
ICUMS	Integrated Customs Management System
NCT	National Competitive Tendering

MoEn	Ministry of Energy & Green Transition
Minister of Energy & Green Transition	Hon. Mins.
Minister	Minister responsible for Finance.
NCT	National Competitive Tendering
PPA	Public Procurement Authority
Procurement Plan	A document that outlines the contract packages, estimated cost for each package, the procurement method and processing steps and time.
Procurement Entity	An organisation or person that has legal or administrative mandate for procurement purposes.
Procurement Contract	Contract between the procuring entity and a supplier, contractor or consultant from procurement proceedings
Profiling	Using predefined criteria to identify specific shipments.
RFQ	Request For Quotation
RT	Restricted Tendering
Restoration	Process of returning seized or forfeited goods to their rightful owner.
Self Declarant	An individual or entity that submits a customs declaration on their own behalf without using a licensed clearing agent.
Supplier/Contractor	Any potential party to a procurement contract with the procuring entity.
Technical Committee	Committee
UCL	Uncleared Cargo List