DYNAMIC YOUTH MOVEMENT OF GHANA (DYMOG)

***Motto: Service for Development***

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**STATEMENT BY THE DYNAMIC YOUTH MOVEMENT OF GHANA (DYMOG), ON THE USD 2.25 BILLION BOND ISSUED BY THE MINISTRY OF FINANCE AND ITS RELATED ISSUES**

DYMOG humbly presents its take in the boiling controversy over the USD 2.25 Billion Bond issued by the Ministry of Finance last month. We also want to clearly state unequivocally that our stance is intended to contribute in shaping the discourse all to the benefit of our Nation, Ghana. Ghana comes first.

In 2010, the Ministry of Finance formulated and adopted the Ghana Public Borrowing Guidelines (GPBG). The cardinal purpose of the GPBG was to ensure harmony, transparency and accountability, ownership and responsibility in the process of procuring public debt.

The Ghana Public Borrowing Guidelines has been outlined in accordance with Articles 181 and 182 of the 1992 constitution of the Republic of Ghana, the provisions in the Loans Act of **1970 (ACT 135),** Procurement ACT of 2003 **(ACT 665),** the financial Administration Regulation 2004, **(LI 1802)** in order to legitimize all borrowing, ensure prudence and better coordination in contracting public loan.

The Ghana Public Borrowing Guidelines Section 3.1.1 without ambiguity defines and explains what External Borrowing is: “External debt is defined on gross basis at any given point in time as disbursed and contractual liabilities of the Central Government to **non-residents** to repay principal, with or without interest, or to pay interest, with or without principal. Basically, external debt is therefore the amount owed to creditors/lenders which are **non-residents** of the country”.

The USD 2.25 Billion Bond issued by the Ministry of Finance, under the hand of Honorable Ken Offori Attah had 95% of it, subscribed by a United States origin- Company by name Franklin Templeton. Per the GPBG, Franklin Templeton’s involvement metamorphoses the loan classification from Local to External borrowing.

**Breach of Approval Process**

Section 5 of the GPBG outlines the approval process for all externally contracted debts.

Per the Guidelines, first there should be an internal approval by the Ministry of Finance itself,

Secondly, a formal application must be sent to Cabinet for approval and lastly,

A MEMO is sent on the loan application to Parliament for final approval

From all indications, the USD 2.25 Billion Bond didn’t go to cabinet and it was executed and signed without Parliamentary approval. This is a blatant violation of the Ghana Public Borrowing Guidelines and a breach of the 1992 Constitution. This defeats the whole purpose of this GPBG which is to ensure harmony, transparency and accountability, ownership and responsibility in the process of procuring public debt.

**Loopholes in the Execution Process**

Section 5.3 of the GPBG talks about the signing and execution stage of any Externally Contracted Debt. Per the Guidelines, Parliamentary approval is a non-negotiable prerequisite for the signing and execution of this Loan. Since Government didn’t seek Parliamentary approval, there was no cover letter from Parliament. This is gross disregard for our laws.

Secondly, the Guidelines (Section 5.3 Step X) states that as part of the approval process, “The Attorney General Department issues legal opinion on the credit facility to the lender confirming that all processes, legal framework and approval process have been duly followed”. Fellow Ghanaians, this means that the opinion of the Attorney General is immeasurably essential in the execution and signing of this Bond. It therefore comes as a big surprise that, a transaction as serious as this took place without the knowledge of the Attorney General. This is highly unpardonable negligence.

Fellow Ghanaians, considering the technical violations of our laws in the Execution of the Bond, DYMOG vehemently calls on the Security and Exchange Commission (SEC) to investigate this matter down to the wire and unravel the motive behind the conspicuous disregard of our Laws in this matter. Ghanaians deserve to know the Truth and Nothing but the Truth.

DYMOG also calls on Government as a matter of urgency to make available to Parliament, the **Due Diligence Report and other documentation in the execution and signing process of the Bond**. This will make settle the accusation of Secrecy.

**THE ISSUE OF** **CONFLICT OF INTEREST IN THE EXECUTION OF THE USD 2.25 BILLION BOND**

DYMOG will like to state on Authority that, it is possible that, the USD 2.25 Billion Bond Contract could heavily be drenched in the deep seas of Conflict of Interest.

One of the Board of Directors of Franklin Templeton (the company which subscribed 95% of the USD 2.25 Billion Bond) is Mr. Trevor Trefgarne, at the same time, available records at the Registrar General Department reveals that Mr. Trevor Trefgarne is a co-founder of Enterprise Group and is actually the Board Chairman of Enterprise Group which is partly owned by Finance Minister, Mr. Ken Ofori Attah. Furthermore, the wife of Honorable Ken Offori Attah the Finance Minister is also a Principal Director at the Enterprise Group. Our Attorney General Honorable Gloria Akuffo was former director at Enterprise Life, a subsidiary of Enterprise Group.

Fellow Ghanaians, Mr. Trevor Trefgarne and Honorable Ken Ofori Attah have a common interest at Enterprise Group. This makes it unethical for Honorable Ken Ofori Attah as a public official, to have any dealings which may directly or indirectly involve his Partner Mr. Trevor Trefgarne since; it is possible a conflict may arise between Honorable Ken Ofori Attah’s duty to the Nation and his personal interest. This is not certain but the possibility of occurrence should completely be avoided in the first place.

To bring clarity to this matter, DYMOG calls on CHRAJ to conduct a thorough investigation into this conflict of interest debacle hovering over the contracting of the USD 2.25 Billion Bond.

Fellow Ghanaians, DYMOG prioritizes the forward movement of our beloved Ghana than any Government or political party, and we will state the issues just as they are without fear or favor.

It is with a heavy heart we state that Ghana as a Nation has over the years been very lenient with the issue of ‘Conflict of Interest’ as compared to other jurisdictions like the United States, United Kingdom, South Korea, Russia , China among others.

Beyond reasonable doubt, the trivialization of ‘Conflict of Interest’ in our public service culture has led to the abuse of power by politicians and public officials for private ends. In this country we have witnessed several issues of conflict of interest such as; Officials using ‘inside’ information for personal benefit and popularly, favoritism for friends and family in appointments, promotions and contracts.

These are clear breach of Article 284 of the 1992 constitution which states that “a public official shall not put himself in a position where his personal interest is likely to conflict with the performance of the functions of his office”. Despite this law, our Leaders keep abusing power through conflict of interest.

It is heart breaking that the constitutionally mandated body, Commission on Human Right and Administrative Justice (CHRAJ) charged to investigate and take up issues of conflict of interest has over the years been sluggish.

The issue of conflict of interest has been a growing global concern. Most countries are putting in measures to curb the abuse of political power for personal aggrandizement.

**For our Nation Ghana to make progress in fighting conflict of interest, DYMOG proposes the following;**

1. **Effective Leadership by the President. The President must show commitment and spearhead reforms in our political and public sector culture to curb Conflict of Interest**
2. **Secondly, there should be a legal framework that will regulate conflict of interest situations and this legal framework must be enforced.**
3. **There should be an oversight by Civil Society Organizations, Parliament and the Media**
4. **The Right to information Bill must be passed to allow for free access to internal government documents. This will help uncover issues of conflict of interest.**

**VICE PRESIDENT LABELLING MEMBERS OF PARLIAMENT AS ‘INGNORANT’-An affront to the Integrity of Parliament**

On 21st April, 2017 the Vice President of the Republic of Ghana granted an interview to the media at Washington DC in the United States, when asked about the Minority’s protest against the issuance of the USD 2.25 Billion Bond as being “secretive”, he responded as follows **“This shows a lack of understanding, the Minority have never understood this economy and it’s just amazing that people on that side who were actually in charge of managing the economy will be making such statements, it really shows ignorance and I am so sad when I hear that from people who should know better”**

The Vice President continued to say that**, “ so they need to understand, maybe they should read a little, but they need to understand what took place: we issue a cedi bond, there is no secrecy to the matter, it was very well invested in, the holders have invested many times in Ghana in bonds that were in place when Seth Terkper issued them, they bought them, 24% interest rate, this time it is 19%, we are doing even much better but this is what politics has been reduced to, trying to say things which really has no basis and are basically wrapped in ignorance, and so, I’m a bit sad for Ghana and for them because they are really demonstrating a lot of ignorance in the process of managing this economy”**

**DYMOG** is immensely disappointed in the comments of the Vice President, His Excellency Alhaji Dr. Bawumia. His labeling of members of Parliament as ignorant is not just unfortunate but an indictment on the Institution of Parliament. The ridiculing of members of Parliament is an affront to the essence, purpose and credibility of the law making body of our land.

Furthermore, His Excellency the Vice President has cast our Nation Ghana in bad light. DYMOG firmly proclaims that, he being elected to the office of Vice President makes him the second Ambassador of the Nation. Under no circumstance should he run down our legislature and for that matter any institution of our Nation. It is highly expected of him to promote our Nation and its values to the outside world. It therefore comes as a shock to DYMOG that the second gentleman of the land is working hard in the opposite direction.

We therefore call on the Vice President, His Excellency Alhaji Dr. Bawumia to retract his words and render an unqualified apology to Parliament and the Nation at large. This will earn him the accolade of a leader who listens.

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Accra.

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