

How Vincent Bolloré won control of Ghana's biggest port



French billionaire Vincent Bolloré added Tema to the 15 West African ports he already controlled by ripping off the country, a secret report says

The French ports-to-media conglomerate, Bolloré Africa Logistics, partnered by the Danish shipping giant Maersk's ports arm, APM Terminals, opened a hugely profitable, state-of-the-art container terminal at Ghana's Tema port in July 2019.

It's the latest link in a chain of 18 West African container terminals run by the French billionaire and his partners. *Africa Confidential* has uncovered how they won the right to build and run the new container port of Tema, a lifeline not only for Ghana but for landlocked **Burkina Faso** and **Mali**, through their 70% owned joint venture with the Ghana government, Meridian Port Services (MPS).

It is a tale of intrigue based on the Westerners' 'lack of transparency and ethical discipline', according to the secret ministerial report drafted by Ghanaian officials, which *Africa Confidential* has seen, and our own research.

The terms of the agreements between MPS and the state are so tilted against Ghana's interests, concluded the report, delivered to ministers in February 2018, they should be renegotiated immediately. Yet the much-criticised contracts are still unchanged.

The concessions Bolloré won from Ghana are similar to those which he obtained for his operations at the port of Lomé, **Togo**, in return for financing a top political consultancy to help the country's president, **Faure Gnassingbé**, win re-election in 2010. On 26 February

this year Bolloré and two of his fellow executives admitted, in a plea bargain, to bribing the Togolese president in exchange for favours at the port, and were fined €375,000 each. Bolloré's company paid a €12 million fine (see box: *Bolloré – a monopoly in every port*). The judge was so shocked by what they had done in Togo she rejected details of the plea bargain and ordered a trial of the executives.

Ghana's ministerial investigation and *Africa Confidential's* research show how Bolloré and his foreign partners:

- persuaded then-President **John Dramani Mahama** to award MPS a new container terminal contract in secret, with no tender or bids, in 2014, violating procurement laws;
- overstated the planned investment by a factor of two which won tax holidays worth \$832 million from an unwitting parliament;
- surreptitiously cut Ghana's equity in MPS to 15% after first agreeing to 30%;
- persuaded the government to allow it a monopoly on handling containers, putting thousands of jobs at other port concerns at risk and driving up prices, and to set tariffs;
- reduced the fees payable to the government over the life of the concession by \$4.1 billion (see bar chart).

The terms under which MPS operates the new terminal were

'gravely detrimental to the government and people of Ghana', the report said. They do 'not reflect honest business ethics between parties', the report goes on. The history of those relations show 'serious ethical professional deficiencies' with the result that 'the engagements have to be carefully and deliberately reviewed'.

President **Nana Akufo-Addo** inherited this situation when he beat Mahama in the general election of December 2016. Instead of blaming the scandal on his predecessor he has chosen to leave the contracts as they stand while friends and officials of his New Patriotic Party (NPP) take up posts with MPS.

Akufo-Addo faced Mahama, standing for the National Democratic Congress (NDC) once again in December 2020's general election, and again, the topic of the Tema deal did not come up in campaigning. The two men appeared to observe a pact of silence on this and several other instances of alleged bad governance and corruption. Akufo-Addo narrowly won the election (AC Vol 61 No 25).

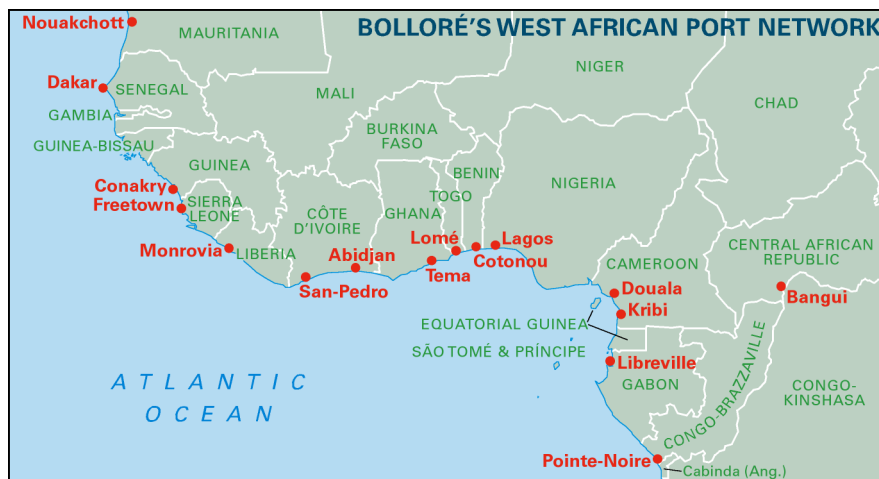
This is the story of how the deal took shape, and how a fightback within the Transport Ministry and the NPP against the MPS deal was finally quashed, and the legendary ability of Vincent Bolloré to accommodate political change asserted itself.

PART ONE

TEMA NEEDS A REVAMP

Since 2005 the state agency, the Ghana Ports and Harbours Authority, had been planning to modernise Tema port to accommodate the new generation of container mega-ships with new cranes, quays and a deeper harbour.

While GPHA started that process, Bolloré and Maersk-APM Terminals formed a jointly controlled **United Kingdom**-registered company called Meridian Ports Holdings, along with a small Ghanaian company, Sutton Energy. MPH formed a Ghanaian 'special purpose vehicle' called Meridian Port Services, in which the original shareholders in 2005 were



BOLLORÉ – A MONOPOLY IN EVERY PORT

Bolloré Africa Logistics is the pride and joy of **Vincent Bolloré**, one of **France's** wealthiest and best-connected business magnates, with a reputation for brutal business practice combined with an awesome eye for profit. He has come into frequent, usually glancing, contact with the law but received a major shock on 26 February when a Paris judge threw out a previously agreed plea bargain.

Under the deal, Bolloré and two fellow executives confessed to bribing **Togo's** President **Faure Gnassingbé** by providing him with a top political advisory and advertising team for his March 2010 election campaign. In exchange Bolloré got improved terms for his concession at Lomé port and permission to build a third terminal there, very similar to the contracts President **John Mahama** authorised for Bolloré in Ghana in 2014.

Bolloré and his colleagues agreed to pay fines of €375,000 each and the company €12 million. This is the French equivalent of the Deferred Prosecution Agreement, as it is known in English and US courts. A corporate defendant admits guilt, pays a large fine and no criminal conviction is recorded.

However, to the astonishment of all present, the presiding judge, **Isabelle Prévost-Desprez**, accepted the deal for the company but rejected the punishment of the executives. Bolloré was the 'head of a group of world reputation representing France to the world' and he had 'compromised the sovereignty of Togo by altering the proper function of its institutions'. A trial was necessary, she ruled.

The prosecutors earlier spoke of making a 'consensual' arrangement with Bolloré in an atmosphere of 'perfect serenity'. They had even kept the deal secret until they appeared before Prévost-Desprez. Defendants, their lawyers and the prosecutors mingled in a relaxed, collegiate atmosphere in the court, *Le Monde* reported, until the judge dropped her bomb.

Brushes with the law almost seem a 'cost of doing business' to Bolloré. French prosecutor **Serge Tournaire** charged him in April 2018 with funding the election campaign of **Guinea's** President **Alpha Condé** in 2010, the same year that Gnassingbé earned his largesse. When Condé took office as president in 2010, he abruptly terminated the contract of Conakry port's operator Necotrans and gave it to Bolloré (AC Vol 59 No 13).

In 2013, a Paris court ordered Bolloré to pay Necotrans €2m in compensation for its lost investment in the port but cleared him of influencing Condé to win the contract. Necotrans then went bust and Bolloré bought it up. Tournaire dropped his case against Bolloré over Conakry and until 26 February it was thought Bolloré had resolved his Lomé problem too.

Bolloré is also involved in a bitter struggle for control of the media company Vivendi and is anxious to maintain a good corporate image for the shareholders. **Italian** prosecutors indicted Bolloré for alleged market manipulation of the share price of Italian media conglomerate Mediaset in December. Vivendi and Bolloré deny the charges. Bolloré stepped down from day-to-day management of BAL and its African entanglements and handed it to his son **Cyrille**, according to French business analysts. But few of them take seriously the idea that such a driven man can step back from his hands-on leadership style so easily.

The Economist described Bolloré as a 'flawed exemplar of capitalism' who had 'ridden roughshod over the principles of modern corporate governance' on his road to riches. Others see him as a schemer who specialises in infiltrating family-owned firms and then bullying his way either into control, or an immense pay-off in lieu. **Martin Bouygues**, the scion of the famous French construction and media conglomerate, clashed with Bolloré after he bought a stake in his company in 1997. Looking back in 2013, his bitterness still fresh, he told the French business magazine *Challenges*, 'Bolloré rooked me, tricked me, humiliated me. I will never forget it.'

Bolloré's West African political relationships are based on their value to his business. In **Senegal** in 2012 he went head to head with the son of then President **Abdoulaye Wade**, **Karim Wade**, when the latter tried to dislodge Bolloré from his dominant position in the port of Dakar. Karim took advantage of the resentment of local businesspeople at what they called Bolloré's monopolistic practices. So bitter did the contest become that Bolloré ended up backing **Macky Sall**, who defeated Karim's father in the presidential election of 2012, although it is not suggested Sall would not otherwise have won. Bolloré won the contract to operate Dakar's ro-ro terminal in November 2013.

Originally, Bolloré built his African network out of the contacts book of **Jacques Foccart**, the shadowy master of intrigue who created a murky network of influence known as *Françafrique* under President Charles de Gaulle which has connected French presidents with top French businesses and Francophone African leaders ever since.

Although the 68-year-old Breton's strongest links are in Francophone Africa, Ghana is a vital part of his empire as the logistical gateway to landlocked **Burkina Faso**, **Mali** and **Niger** (AC Vol 50 No 13). The only other route to those countries is via the port of Abidjan, Côte d'Ivoire – which Bolloré and APMT also control.

Bolloré's ally and oldest Ghanaian friend is **Alhaji Asoma Banda**, probably Ghana's most prominent shipping and logistics magnate. Now 86, Banda introduced Bolloré to Ghana in the 1990s. He was CEO of Port Handling Company and is a director of a local Bolloré subsidiary, Antrak Ltd. In 1999 he sold his shipping line, OT Africa Line, to Bolloré when the Frenchman was scooping up most of the other regional shipping lines.

Bolloré's success at Tema is built, the commentators say, on identical foundations to the rest of his West African empire. Banda helped Bolloré connect with President Mahama, and his reward included the chairmanship of Meridian Ports Services, the key Bolloré vehicle in Ghana and operator of the new container terminal. He also holds, without ever having paid for it, 12.9% of MPS's parent company, Meridian Ports Holdings, in a stake 'shrouded', the secret ministerial report said, within the shareholdings of Bolloré and APTM. ●

MPH, France's Bouygues Travaux, and GPHA. So far, so normal. MPS operated uncontroversially in the old port on Terminal Two, alongside other concerns.

Soon, however, GPHA became part of the wave of public-private

partnerships and privatisations that were transforming the Ghanaian economy. MPS was conceived as a part-privatisation of GPHA. GPHA would relinquish exclusive control of Tema port in return for a 30% share in MPS and access to private capital.

The understanding was that the 30% reserved stake for GPHA reflected Tema's national strategic importance. These provisions were contained in a Memorandum of Understanding between GPHA and MPS; 30% for Ghana, 70% for Bolloré and Maersk-

APTM. However, this arrangement was to change later, the report said, 'under very questionable circumstances'.

The government was not the only one to receive a free share. Bouygues, a French construction giant with extensive African interests, left the project and its 12.9% stake – then contained within Bolloré and Maersk's 70% – was 'awarded' to Alhaji **Asoma Banda**, one of Bolloré's oldest friends and business partners, and his chief ally in Ghana.

Banda has long been prominent in national politics and he helped smooth MPS's access to the government, but also has a foot in the NPP camp (see box, *Bolloré – a monopoly in every port*).

From 2005 GPHA steadily worked on its Master Plan to improve the port and invited specialist companies to take an interest, to prequalify and followed the procedures of transparent procurement.

This was the position when the President, **John Atta-Mills** of the National Democratic Congress, died in July 2012 and his Vice-President, Mahama then won the election in December of that year in his own right (AC Vol 53 No 16).

MPS then approached GPHA with its own plan for the new Tema terminal. The report says this was designed 'to satisfy MPS only' and did not fit with the Master Plan. Accordingly, GPHA rejected the MPS proposals.

However, on 13 November, 2014, President Mahama changed the game.

MPS had made Mahama an offer. It would build, finance and operate the container port so long as it was awarded the contract immediately, exclusively, and without tendering or competitive bidding, according to the report. President Mahama accepted, awarding the contract to MPS 'by diktat', the report said – and in secret.

'A high aide in the office of the President,' one highly placed expert on the affair told *Africa Confidential*, 'instructed the acting director of GPHA, **Richard Anamoo**, to discontinue the tendering and engage with MPS.' This was illegal by all the rules of government procurement. It meant 56 companies, 20 of which had already been shortlisted for the construction contract, had wasted their time. Another 15 had bid for the operating contract, and Ghana's civil servants had also wasted vast amounts of time. MPS had previously shown no interest in bidding or prequalifying.

Mahama's decision was not recorded. The report's authors sought high and low through government records but could find no written proof of the order. When *Africa Confidential* asked ex-President

THE ENTERPRISING MAHAMAS

During Ghana's vigorous election campaigns, ex-President **John Mahama's** National Democratic Congress and President **Nana Akufo-Addo's** New Patriotic Party trade vicious accusations about wholesale corruption by the other party, but prosecutions are rare.

But Special Prosecutor **Martin Amidu** issued an Interpol Red Notice for one of Mahama's brothers, **Samuel Adam Mahama** (aka **Foster**) last year.

Amidu's action followed the confession by *Airbus Industrie* in a Deferred Prosecution Agreement with prosecutors in **France**, the **United Kingdom** and the **United States** that it had bribed officials in five countries, including Ghana, in January 2020. Airbus was fined €3.5 billion. The DPA stated that in Ghana 'Intermediary 5' received nearly €4 million to pass to a 'high ranking elected Ghanaian Government official' to whom he was related, as a kickback for ordering three military transport aircraft. The only detail the DPA omitted was the names, but Amidu filled the gaps.

He named Samuel Adam as the 'intermediary' in January 2020 and said John Mahama 'indisputably' was the elected government official. He called the former president a 'common criminal'. John Mahama called Amidu 'stupid'.

But Amidu was not able to take the case against either Mahama any further because he also fell out with Mahama's successor, Akufo-Addo. Amidu resigned in November, angrily protesting at attempts by Akufo-Addo to treat him as his 'poodle' (AC Vol 61 No 23).

Throughout his presidency Mahama was blamed for extraordinary failings in public sector programmes, with vastly inflated contracts (Vol 57 No 5).

Ibrahim Mahama is a younger brother to John and a favourite topic of the news media for his chequered business career. In 2012 he borrowed \$38 million from the 90% government-owned Merchant Bank. No bank would normally lend 40% of its capital, even if it were legal, in one go but the Central Bank issued a waiver. His brother, the president, said it had nothing to do with him.

Amid the outcry about alleged nepotism, one voice stood out in Ibrahim's defence: Meridian Port Services current chair and **Vincent Bolloré** ally **Alhaji Asoma Banda**. Banda praised Ibrahim's business acumen and said Ghanaians should 'clap for him', and indeed, more banks should lend him more money. Yet, when the loan fell due, Ibrahim did not pay, and the bank went bust.

In 2016 Ibrahim's companies were reported as owing \$53m to another bank, UT Bank. Before lending the money UT Bank also had to request – and was granted – a special dispensation from the Central Bank to lend such a high proportion of its capital to one client. The waiver came through, the loan was made, the loan went bad, and the bank went bust. John Mahama was still president and denied all knowledge of the business.

But these controversies were small beer compared with Ibrahim's most ambitious would-be business venture, a 30-year licence to mine the Nyinahin Forest bauxite concession, which he was awarded one week before his brother left office after losing the 2016 general election. Again, John Mahama's representatives denied he had influenced the award and saw nothing suspicious in the timing.

The incoming New Patriotic Party, however, immediately revoked the licence calling the affair a 'case of state capture'. The government also forced Ibrahim to pay 12m cedis (\$2m) in import duty he failed to pay throughout his brother's presidency, despite protesting that he had in fact paid. He was then arrested in April 2017 for allegedly writing bad cheques to cover those debts before finally making the payments.

In February 2017, Ibrahim was summoned to the fraud investigation unit of the Economic and Organised Crime Office (EOCO) over deals with the Ghana Cocoa Board (Cocobod) in which fertilisers were imported and then allegedly smuggled abroad during the time the body was headed by **Stephen Opuni**, who is currently on trial for crimes allegedly committed while he was in charge of the parastatal.

Opuni was eventually sacked after being accused of funding the NDC out of loans he had made to make advance payments to farmers for the cocoa bean harvest. Opuni was accused to using surplus funds to finance the NDC's election campaign, it was claimed.

Ibrahim continues to thrive and was recently reported to be in talks over a possible takeover of the local gold producer Cardinal Resources. ●

Mahama's representative if the former head of state would explain the secret decision, we received no reply.

However, President Mahama's media team filmed a video at State House to celebrate the award of the port project

HOW TO DOWNSIZE YOUR PARTNERS

The Ghana Ports and Harbours Authority's share in Meridian Port Services was cut, allegedly by sharp practice, from 30% to 15% in 2016, but it wasn't the only Bolloré and Maersk partner to suffer such a fate.

Sutton Energy, a company run by Ghanaians **Michael Wilson** and **Kojo Annan**, had a similar experience. Bolloré and Maersk arbitrarily cut their equity stake in the Tema project parent company Meridian Port Holdings to 0.00009% from 6.5%. Facing threats of legal action, Bolloré and Maersk paid Sutton compensation in 2017.

Wilson and Annan helped develop the idea of improving Tema port back in 1999, attracting **British** investors and ports experts to the project. They told us they invested their own funds to launch the project, bringing in Mersey Docks, and the **French** construction company, Bouygues. But when Bolloré and Maersk arrived on the scene in 2005 to negotiate with the Ghana government, they sidelined Annan and Wilson.

It soon became clear that reducing Sutton's role was not enough for the French and **Danish** multinationals. They wanted Sutton out of the picture altogether.

Over the following years Wilson and Annan wondered what had become of the dividends due to them from MPH. They discovered to their shock that in 2010 the MPH directors had issued nearly 3.5 million new shares, which reduced the value of Sutton's 325 shares from 6.5% of the equity to 0.00009%.

Annan and Wilson say they were never informed about the new share issue, as is required by law, but MPH insisted it had told them. Faced with this impasse, the Ghanaians went to **Cherie Blair** QC, the wife of former UK Prime Minister **Tony Blair**, and her high-powered consultancy and law firm Omnia, which specialises in West Africa (AC Vol 59 No 6).

According to the statement of claim against MPH in the International Commercial Court in London Sutton's original equity in the venture was 'conservatively' worth \$15 million in 2009.

Sutton's lawyers claimed that 'through manifest breaches of the shareholders' agreement they have been disregarded, marginalised and the majority owners [Bolloré and Maersk] have all but removed Sutton Energy from the project'. They accused MPH of 'lack of good faith or reasonable business ethics', exactly the charge levelled at MPS by the ministerial committee report in regard to its halving of GPHA's 30% equity in MPS in 2016.

After arbitration, MPH secretly settled with Annan and Wilson in October 2017. The sum, experts said, was probably well short of the \$15m 'asking price', a source close to the negotiations told *Africa Confidential*. The government in Accra knew about Annan and Wilson's settlement but never followed their example. Said one of our sources, 'The government people didn't believe they needed to. They said, "we are the government". But they regret it now.' ●

who referred the matter to the Attorney General, who issued a dispensation to Banda so he could keep the free shares. In 2018 it still belonged to Banda, the investigating committee found, and when *Africa Confidential* enquired after this stake, neither Banda, Bolloré nor the government got back to us. The report demanded that the share be returned 'without any further delays', 11 years after the government's first request.

Our research indicates that this lucrative shareholding was Banda's reward for looking after Bolloré's interests in Ghana and helping influence Mahama to award the container terminal job to MPS. According to the report, Banda's shareholding, which does not appear in MPS company filings in Accra or MPH records in London, was 'shrouded' within the equity of the majority shareholders, Bolloré and Maersk.

FRIENDLY ADVICE

Two independent sources who wish to remain anonymous – one a business executive familiar with Tema affairs, the other a political researcher – told *Africa Confidential* of another factor they say influenced Mahama in deciding to award the new terminal to MPS – the President's younger brother, **Ibrahim** (see box, *The enterprising Mahamas*).

The sources say Banda promised Ibrahim, who runs a major civil engineering concern, multiple contracts if MPS was given the container terminal project without tendering. Banda and Ibrahim are close political allies and when the media have criticised Ibrahim, Banda has sprung to his defence. When *Africa Confidential* asked both Mahamas, as well as Banda, whether Ibrahim had influenced the contract award, we received no reply.

The apparently illegal award of the Tema container terminal contract to MPS in 2014 was a huge coup for MPS, Bolloré and Maersk.

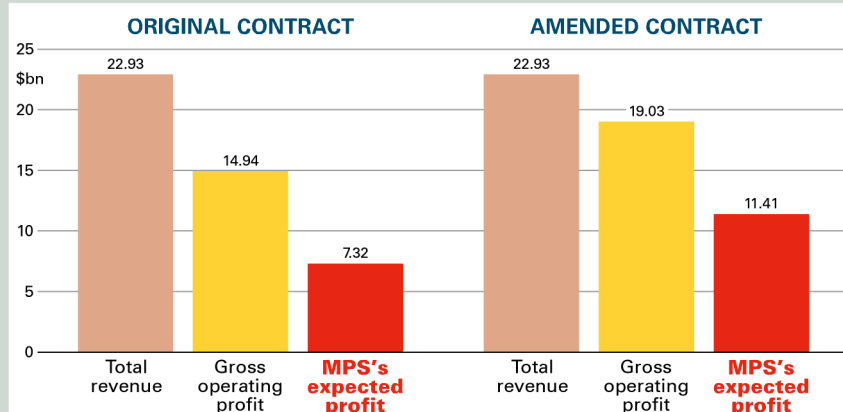
to MPS, and posted it on YouTube two days later. In it, the President is shown celebrating the award with Anamoo and MPS CEO, **Mohamed Samara**, and its chairman, Banda.

President Mahama congratulates the parties on the deal and Banda talks of being the 'happiest man' that the project is going ahead. No wonder. He owned 12.9% of MPH and never paid for it.* Back in 2005, the report says, the government had given Banda a 12.9% share in MPS 'to encourage indigenous participation in the maritime container services business', even though he was probably the biggest man in Ghana shipping already.

Soon after, the government thought better of the 'award' of the share to Banda and asked for it to be returned in 2006. Banda did not return the

shares. In spite of his later acquiescence, GPHA director Anamoo was originally determined to get the 12.9% back. He continued to press for it so hard that Banda petitioned President Mahama,

HOW THE CONTRACT TERMS CHANGED AT GHANA'S EXPENSE



* www.youtube.com/atch?v=auHk9fv3SUU

PART TWO

A NEW BEGINNING

A few months after MPS won the contracts, the Concession Agreement between GPHA and MPS, which governed how MPS operated in the port, was altered by a 'Deed of Amendment'. The ministerial report homes in on the Deed of Amendment as a crucial document which radically changed the balance of power between the GPHA and the private company hugely in the latter's favour.

At first, the changes looked small. MPS lengthened the period over which the company would run the new port from 30 to 35 years. However, instead of running from the original start date of 2007, MPS interprets the 35 years to run from the opening of the new terminal, i.e. 2019.

Over the life of the concession agreement, the report calculates, \$7.98 billion in fees would accrue to GPHA, but after the Deed of Amendment was signed, this fell to \$3.9bn, a net cost to Ghana of \$4.1bn. This is the sum that the government report said the government should try to claw back from MPS, or at least to negotiate over. No negotiations took place (see bar chart).

MPS also obtained the exclusive right to handle all ships with over 200 containers – i.e. practically all of them – and to set tariffs. The company also requested the government to forgo immense sums in tax revenue as incentives.

MPS then started to chisel away at the 30% equity in the venture which had been granted to the government in the shape of GPHA.

At meetings of MPS shareholders in Amsterdam in May and June 2016, MPS issued more shares, which reduced GPHA's equity from 30% to 15% overnight. In public, however, parliament, the media and the government continued to refer to GPHA's '30% share' and the halving of the share would not be properly noticed for another six months.

The share reduction took place behind such a fog of legalistic jargon that GPHA officials did not at first realise what was going on. The report criticises Ghana's officials for being bamboozled by MPS's sophisticated operators. 'It was an open secret that the GPHA officials were out of their depth with the MPS lawyers,' said one source. Others took the view that the civil servants knew what the President desired and were not about to cause problems with a company so obviously favoured by the head of state.

GPHA was not the only party to find

NOT WAIVING BUT DROWNING

In March 2016 the National Democratic Congress government asked Parliament to approve US\$982 million in tax relief for Meridian Port Services over 10 years – a sum that amazed MPs. The total investment in the new container terminal was some \$1.5 billion and the earnings in revenues for Ghana would be huge, fully justifying the waiver, the government said to initial scepticism in the chamber.

The proposal went to Parliament's Finance Committee, where both main parties are represented, before it came back to the chamber for ratification. The then New Patriotic Party MP for Old Tafo, **Anthony Akoto-Osei**, demanded more information. The committee had not even seen the contract with MPS. MPS and the government may have realised then that they asking for too much. The committee re-convened and when the waiver proposal came back to the floor of the house, the giveaway had come down by a suspiciously round \$150m, to \$832m.

MPs still objected. **Mark Assibey-Yeboah**, of the New Patriotic Party (NPP), then in opposition, asked why, if this project was so attractive on its own terms, it needed such a huge injection of resources from the taxpayer. 'I call this the Meridian Port Services give-aways,' he said, adding, 'I submit that somebody got stuck with MPS and whatever they requested, he gave it to them.'

It was so generous, he said, that for every \$1 that MPS invested Ghana was giving back 55 cents. (Had the originally proposed waiver of \$982m gone through, Ghana would have been giving back 89 cents in the dollar.)

NPP MP **Kwabena O. Darko-Mensah**, the member for Ghana's other major port, Takoradi, confessed that he could not understand why, if the government was giving away roughly half the cost of the investment in tax waivers, it had not taken 50% of the equity instead of 30%. The MP was not aware, however, that within weeks, Ghana's share in the project would fall to only 15%.

The low equity level for Ghana Ports and Harbours Authority also bothered NPP MP **Kyei Mensah-Bonsu**. 'That is my beef,' he said. 'I am saying ...that ... it is not healthy for GPHA to have the shareholding of only 30% when the State is having to give away this much.' Moments later, however, the NDC majority ensured the giveaway was voted through.

Ignorant of GPHA's diminishing stake in MPS, Parliament was also not informed that MPS was taking out a 10-year \$667m loan from the International Finance Corporation (IFC), the private sector arm of the World Bank, the ministerial inquiry report said. 'The omission of this material fact and other factors,' the report said, 'resulted in a tax waiver far in excess of the project benefits.'

Another material fact parliament did not know of is that the project cost was soon readjusted from \$1.5bn to \$1.1bn. This news seemed not to have reached parliament either, so no adjustment in the tax holidays took place. ●

its equity in a Bolloré venture massively reduced (see box, *How to downsize your partners*).

PARLIAMENTARY APPROVAL

MPS also sought tax holidays and other investment incentives which needed parliamentary approval.

In the National Assembly, MPs were told it was to be a \$1.5 billion investment, and the government should waive \$832m in taxes over the life of the concession to show good will towards foreign investors. The investment was later reduced to \$1.1bn but parliament was not informed.

Even this figure is too high. As of October 2020, when MPS's parent company, Meridian Port Holdings, filed annual returns at London's Companies House, the total investment at the time of reporting was \$761m, less than half the sum parliament was first told was being invested and against which the firm won a discount. Some MPs were suspicious of the immense tax

break on offer, but the NDC majority saw it pass easily (see box – *Not waiving but drowning*).

The International Finance Corporation (IFC), the private sector arm of the World Bank which lent \$667m, admitted to *Africa Confidential* that the 'cost of the project decreased' to \$1.1bn by June 2016, but the news never filtered back to Parliament so it could adjust its tax concessions. When we asked what the IFC thought about the project being contracted without competitive tendering, it only said it 'prefers' it. Ghana's Maritime Dockworkers' Union accused the World Bank of hypocrisy for 'supporting a monopoly'.

The intention of borrowing from the IFC was never disclosed to the Ghana government, the report says. Neither was the dilution of Ghana's share in MPS.

In mid-2016 construction of the new facilities at Tema was forging ahead, but relations between MPS and GPHA

were deteriorating. GPHA officials were becoming increasingly anxious about what they saw as a one-sided relationship with MPS. They suddenly discovered, several months after the shareholder meetings in Amsterdam, that GPHA's equity had been halved.

But by now, Ghana was in the thick of the 2016 general election campaign and these tensions stayed beneath the surface. But by polling day on 7 December, however, GPHA had angrily withdrawn cooperation with MPS.

PART THREE

NEW MAN AT STATE HOUSE

When the NPP under Akufo-Addo won the election, new officials – not bound by the previous administration's deals – put the MPS deal under the microscope.

Officials were aghast at the terms of business between MPS and GPHA. GPHA was refusing to sign documents that were required for the IFC loan to be drawn down. Other problems came to light.

In January 2017 the port trade unions claimed that 60m cedis (\$10m) had been spirited out of GPHA to a 'presidential protocol' to help fund the NDC's election campaign.

That month, Vice-President **Mahamudu Bawumia** appointed an investigating committee staffed by Ministry of Transport civil servants under the then NPP MP for Tema East and Deputy Transport Minister, **Daniel Nii Kwartei Titus-Glover**.

They called witnesses and probed government records thoroughly before, in February 2018, submitting the devastating report from which we have been quoting. One prominent actor in the affair failed to appear before the committee 'though several attempts were made to reach him' – Banda. It reiterated previous government demands that Banda's shareholding in MPH be returned to the public.

The final report recommended wholesale renegotiations. Every part of the agreements with MPS had to be 'carefully and deliberately reviewed'. At first, the government was in sympathy, and while the committee was taking evidence, action was being taken.

Three months after the panel hearings of the committee opened, Anamoo, the official who had awarded the Tema contract to MPS on President Mahama's orders, was replaced as Director-General with another seasoned ports professional, **Paul Asare Ansah**.

The new government appeared determined to rectify the wrongs of the MPS contract and restore GPHA's equity. Ansah looked like the man for the job. He lost no time trying to regain

TIMELINE

2004

July

As part of the liberalisation of the economy, the government decides to allow private investment in key infrastructure. The Ghana Ports and Harbour Authority (GPHA) enters a shareholder agreement with Meridian Port Holdings, a consortium registered in UK of APM Terminals (Maersk), Bolloré Africa Logistics, Bouygues Travaux, and Sutton Energy. GPHA and MPH form Meridian Port Services (MPS) after discussion with Kufuor government as a special purpose vehicle. MPH is to own 70% of MPS and GPHA 30%.

17 August

GPHA opens to private investment. Begins planning to expand Tema port.

2005

Bouygues leaves the consortium, and government of Ghana takes up its 12.94% in MPH.

October

Government gives the Bouygues share gratis to Alhaji Asoma Banda, then CEO of Port Handling Company and Antrak Ltd, old friend of Vincent Bolloré.

2006

October

Govt rescinds decision to give the shares to Banda, and asks for them to be given to GPHA. Banda does not return the shares.

2007

1 April

MPS operations begin. Signs first 20-year Concession Agreement with MPS.

2012

GPHA begins to plan procurement process to build a new quay, and deepen the harbour to accommodate large container ships at a new terminal.

MPS approaches GPHA with the idea of expanding the terminal but it does not conform to the Tema Master Plan, so GPHA says no.

Twenty companies are shortlisted for construction, 15 for operation. MPS expresses no interest.

The GPHA agitates for Banda to return his shares in MPH of 12.94% to GPHA. Banda petitions President Mahama, and receives a letter from Attorney General saying he can keep the shares.

2013

February

The first procurement notice (leading later to tendering for the works) is issued by the GPHA. 56 companies apply. By the following January seven bidders have submitted valid bids for the construction contract, and they are opened.

April

The GPHA issues a procurement notice for the contract to operate the terminal.

November

MPS offers to fully fund, build and operate the port, although it has not expressed any interest in the build or operation bidding competition hitherto. President Mahama secretly accepts the offer.

Mahama directs GPHA Director General Richard Anamoo to halt all procurement processes and open negotiations with MPS. The committee 'did not sight written evidence of the directive [by Mahama]'.

14 November

The GPHA signs a Memorandum of Understanding with MPS.

16 November

Asoma Banda, Anamoo, Mahama and MPS CEO Mohammed Samara meet at State House and are filmed on YouTube celebrating the award of the container contract to MPS.

2015

12 June

A Deed of Amendment (DoA) to the 2004 Concession Agreement is made between MPS and GPHA. It includes the right of MPS to design, develop, manage, operate and build Terminal 3 (new container port) at Tema, radically altering the contractual terms to favour MPS by letting it set tariffs and to have a monopoly on all ships of 200 containers and above, as well as other benefits.

MPS goes to the World Bank's International Finance Corporation without GPHA's knowledge and borrows \$667m for the project.

2016

8 June

Parliament approves an \$832m tax waiver for MPS. There are some

TIMELINE

protests from the floor. Legislators are not aware that the total investment is \$1.1bn instead of \$1.5bn.

10 June

MPS increases ordinary shares from 100,000 to 3 million and dilutes GPHA's shareholding from 30% to 15%.

24 June

The GPHA becomes aware that its share is down to 15%, leading to a major impasse. It refuses to sign some IFC documents and tries to get the 30% share originally agreed returned. MPS digs in its heels.

6 December

In the general election, Nana Akufo-Addo's NPP comes to power and Mahama loses office.

2017

January

Unions start to raise a stink about mismanagement in the GPHA under Anamoo. They claim \$60m given to Mahama for his election campaign came from GPHA funds.

27 January

Vice-President Muhamadu Bawumia orders the formation of a ministerial committee to review the shareholding structure of GPHA and MPS, the concession agreement, and the financial implications of the IFC loan, and the tax and waivers.

4 April

Anamoo is removed as DG of the GPHA and replaced with Paul Asare Ansah.

May

Ansah demands restoration of the 30% GPHA share. He claims the GPHA official at the relevant meeting didn't have the authority to agree to the dilution to 15%.

October

Sutton Energy wins arbitration with MPH group for diluting its equity without Sutton's knowledge, and reaches a secret settlement. The original claim was for \$15m.

2018

23 January

Deputy Attorney General Dominic Ayine does not come before the ministerial committee when requested. Nor does Alhaji Asoma Banda 'although several

attempts were made to reach him'.

February

Secret ministerial report into the terms around the new container terminal is delivered to the government.

8 May

The reduction of the GPHA share to 15% is leaked to the press. MPS lawyer Frank Edo Brown tells *Daily Graphic* there never was a written agreement that GPHA should have 30%.

24 May

Unions accuse Peter Mac Manu of corruption, which he denies. They later apologise. They also claim that Bawumia, the Vice President, was 'sanitising the MPS contract review'.

24 May

Paul Asare Ansah is 'happy to announce' that the 30% share was back.

28 May

Ministerial committee chair Titus-Glover calls for renegotiation of the contract.

6 June

Paul Asare Ansah is sacked as DG of GPHA.

18 June

MPS draws down the first \$100m of the finance package from IFC.

November

The Danquah Institute protests at MPS terms and demands renegotiation, promises to sue if no renegotiation. No more is heard of the law suit.

2019

February

It is reported in the media that the GPHA is to receive no royalties for 10 years from MPS.

14 May,

President Akufo-Addo meets TUC and dock unions on jobs issue. Reports say the 'contract with MPS may be renegotiated.'

28 June

The President promises no job losses at GPHA.

5 July

The first vessel docks at the new terminal. ●

GPHA's 30%, claiming irregularities in the dilution of its equity.

Ansah said that **Chris Amador**, the GPHA official present at the meetings where Ghana's 30% in MPS was diluted to 15%, had no mandate to agree to it. His GPHA colleague **Esther Gyebi-Donkor** backed Ansah, and she also pointed out MPS's unilateral extension of its operating contract by five years. MPS dug in, however, insisting all the changes were legal. If GPHA wanted its 30% back it would have a fight on its hands.

Ethically and morally, it was clear to GPHA and the new government that Ghana had been betrayed, and the 30% portion of the equity in MPS always destined to belong to the nation had been halved by sharp – if not unlawful – practice. But while the committee was conducting what independent observers have described as an exemplary investigation, the mood in government was subtly changing. MPS's influence with the new government was steadily growing.

PART FOUR

FERVOUR ABATES

Bolloré had once more, it seemed, worked his influential magic and brought the Akufo-Addo administration around, much as he did earlier in Côte d'Ivoire, for example. Bolloré had always taken changes in government in his stride. He was friendly with President **Laurent Gbagbo** in Côte d'Ivoire and built a new port there, and when Gbagbo lost power in 2011, he quickly befriended Gbagbo's deadly enemy and successor, President **Alassane Ouattara**.

In August 2017 President Akufo-Addo appointed **Peter Mac Manu** chair of the GPHA and thus Ansah's boss. Mac Manu was NPP National Chairman from 2005 to 2010 and architect of the party's successful 2016 and 2020 election campaigns. Mac Manu was appointed to the board of MPS, and co-opted onto the ministerial investigating committee.

Mac Manu constantly interfered in the committee's deliberations to offer defences for MPS and to hold the line against any notion of renegotiating the contract terms, a source on the committee told us. When we asked about this Mac Manu firmly denied 'any such allegation of interference'.

Mac Manu also denied that chairing the GPHA while sitting on the board of MPS, in which he said he has no pecuniary interest, was a conflict of interest. The two bodies have a common interest in profitability, he told *Africa Confidential*. 'The success of MPS therefore is the success of each shareholder including GPHA

DRAMATIS PERSONAE

BUSINESS PEOPLE

Vincent Bolloré

French ports and logistics and media billionaire with controlling interests in key West African infrastructure and main beneficiary of highly profitable Tema container terminal.

APM-Terminals-Maersk

Dutch subsidiary of giant Danish shipping container and ports concern, often partnered, as in Tema, with Bolloré.

Alhaji Asoma Banda

Bolloré's friend and lieutenant in Ghana, chair of Meridian Ports Services, former chair of Ghana Ports and Harbours Authority, director of a key Bolloré subsidiary Antrak, prominent politician and logistics magnate in his own right. Owner of 12.9% interest in Meridian Ports Holdings 'shrouded' within the Maersk and Bolloré shareholdings, according to the government report.

Kojo Annan

Former UN Secretary-General Kofi Annan's son, whose company Sutton Energy, owned with Michael Wilson, had its shareholding in MPH reduced to almost nothing by diluting their shares by Bolloré and Maersk.

POLITICIANS

John Kufuor

The President whose idea it was to award Bouygues's former share in MPH to Banda.

John Mahama

President who curtailed legitimate procurement processes on the new

container terminal and awarded MPS all the build and operate contracts in secret in November 2014.

President Nana Akufo-Addo

The leader whose government commissioned a thorough investigation of the terms of the contracts between MPS and GPHA but ignored the conclusions of the report – that all terms should be completely renegotiated.

Peter Mac Manu

Architect of the New Patriotic Party's 2016 and 2020 election victories appointed by Akufo-Addo to chair GPHA, who joined the board of MPS and who denies a conflict of interest.

Daniel Nii Kwartei Titus-Glover

Chair of the ministerial committee whose year-long investigation into the terms of the contract between GPHA and MPS concluded it was grossly tilted against Ghana and needed to be completely recast.

CIVIL SERVANTS

Richard Anamoo

Director-General of GPHA who was ordered by President Mahama in November 2014 to halt the procurement process immediately and work only with MPS from then on. He had previously tried to regain for the GPHA Banda's equity in MPH.

Paul Asare Ansah

Director-General of GPHA from April 2017 who at first tried to restore GPHA's 30% share in MPS but was ordered to give up the fight and then sacked. ●

money from the other shareholders. The loan will be repaid out of future revenues and royalties from port operations.

Little-noticed reports in the Ghanaian media agree. One said Ansah was ordered to accept a high price to restore GPHA's 30% stake; GPHA had to give up for 10 years half of the revenues it would otherwise have expected to earn from port operations in payment. This was on top of the already immense tax giveaways MPS had already received. We asked MPS and the Transport Ministry if this was how GPHA's original equity had been restored but received no answer.

Another report said, '90% of the dues retention goes to MPS, while the GPHA has a 10% stake from year one to the 10th year.'

Both the company and the government can now, accurately, portray GPHA as owning 30% of MPS, but they will not admit to the halving of the public share or the immense cost of its restoration.

FIGHTBACK

MPS had got everything it wanted, it seemed, but there was still plenty of discontent in official circles about the MPS deal, enough to explain the leak of the explosive secret ministerial report. Demands for action began to grow by the end of 2018 as the report was discreetly circulated.

Edward Kwaku Asomani of the Danquah Institute, a think-tank allied to the now-ruling NPP, led the charge. In November 2018, Asomani solemnly declared at a press conference, 'Nobody should underestimate our resolve to see this contract renegotiated.' He promised to sue the government 'within 60 days' if the contract was not renegotiated. The Institute described the deal as 'a badly negotiated contract that mortgaged the economic interest of Ghanaians to MPS and its foreign shareholders for a generation'.

The chair of the investigating committee, Titus-Glover, also went on the record in February 2019. 'This was an amended agreement signed under the previous government, it is a bad deal for the port and the entire country, and our hope is that we can correct the wrongs,' he told local media.

Asomani told *Africa Confidential* in April 2019 that the Institute was looking at legal action to force the government to renegotiate the terms of the deal with MPS. That was then, however. The Danquah Institute's plans to sue are now 'on hold', we hear. Asomani left the Danquah Institute to become director of analysis at the Ministry of National Security and as of

and by extension the country Ghana.' When asked about how GPHA's share in this success was halved to 15%, however, he referred us to MPS corporate affairs, which did not reply to this or any of our questions.

By the middle of 2018 the prospects for any renegotiation of the contract terms seemed to be slipping away as MPS's circle of new friends grew.

In June 2018, Ansah suddenly withdrew his earlier objection to the dilution of GPHA's share in MPS to 15%. He told journalists, 'We used to have a 30% stake until there were a few challenges and the shares were diluted to 15% but I am happy to note that we

have reached a new agreement to regain our 30%.' His conciliatory remarks must not have erased the memory of his previous confrontation with MPS. Days later, he was sacked and replaced by Michael Luguje.

PART FIVE

EQUITY RESTORED

So, how had the 30% shareholding been 'regained' and Ansah's objections resolved? *Africa Confidential* research has discovered that GPHA has only restored its 30% equity in MPS by buying back the 15% at enormous cost. GPHA, we were told, has borrowed the

8 February, is the new deputy National Security Co-ordinator.

When *Africa Confidential* contacted Titus-Glover for comment he declined, referring us to his superior, Transport Minister **Kwaku Ofori Asiamah**. We sent the minister a list of questions but received no reply.

Similar questions also went to MPS CEO Samara after we spoke to the MPS lawyer **Frank Ebo Brown**. MPS did not reply either. We contacted Bolloré, which confirmed receiving our questions but answered none of them.

In the annual report of the parent

company of MPS, Meridian Ports Holdings, which made \$80m profit in 2018, months before the container terminal opened, there is mention of a danger that the government in Accra might try to renegotiate terms with MPS. 'Challenges to concession terms are a lingering risk,' the directors reported, 'both in terms of challenging the concession directly and GPHA supporting the terms. While this risk exists it is considered low.'

Ghana, however, now has a hung parliament with the NDC and NPP holding 137 seats, which means that individual members may now be able to

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scrutinise this and other corruption and governance issues which have not been acted on until now. ●

This article was edited on 3 June to correct some minor factual and stylistic errors.