

MEMORANDUM TO PARLIAMENT

BY

MINISTER FOR FINANCE

TITLE:

**REQUEST FOR WAIVER OF IMPORT DUTIES, APPROVED TAXES
AND LEVIES FOR THE 370MW AKSA ENERGY POWER PROJECT**

UNDER

**A GOVERNMENT OF GHANA CONTRACT WITH AKSA ENERJI
URETIM AS (AKSA),**

19 JUNE, 2018

1.0 PARLIAMENT DECISION REQUIRED

Parliament is respectfully requested to consider and approve the waiver of taxes, Customs Duties and Import Surcharges, VAT on imported materials and approved services, ECOWAS Levy, and other approved Engineering Procurement Construction (EPC) cost estimated at cedi equivalent of Twenty Seven Million, Three Hundred and Twenty Three Thousand, Two Hundred and Thirty Two (US\$27,323,232.00) in relation to the Emergency Power Agreement (EPA) signed on 12th May, 2015 between the Government of Ghana (GoG) represented by the Ministry of Energy(MoEn) and Aksa Enerji Uretim As (AKSA), for the provision of operation/, maintenance and technical services, the construction of a transmission line and auto transformer and the financing and insurance of the plant for a period of five (5) years (Project).

The breakdown of the request is as follows:

S/N (US\$)	Total CIF	Imp. Duty	Imp VAT/Services	Imp. NHIL	ECOWAS Levy	EXIM	SIL	Non-core Items(exclusions)
Estimate	175,017,018	14,063,052	12,608,073	2,101,345	875,085	1,750,170	237,4890	27,323,232

It is noted that its Thirty Ninth Sitting of the Second Meeting held on Friday, 17th July 2015, Parliament approved by Resolution the Emergency Power Agreement between the Government of the Republic of Ghana and AKSA for the provision on a Fast track basis, up to 370 MW (ISO) installed Capacity of Power Delivery Services.

Cabinet has at its Thirty Fourth Meeting held on Thursday, 31st May, 2018 considered and approved the request for consideration and approval of Parliament in line with the provision of Article 174 (2) of the Constitution.

2.0 BACKGROUND

In the immediate past, the power system of Ghana experienced supply inadequacies mainly due to:

- The non-availability of some generating units through faults
- Inadequate generation assets
- Mandatory inspection and routine maintenance
- Poor hydrology
- Absence of a reserve margin
- Fuel supply challenges amongst others

Ghana's peak demand has been consistently increasing over the years following the completion of the Akosombo Dam in 1965, with a peak demand at a time of 100MW as against available generation capacity of about 600MW.

Since 2000, demand has continued to increase and got to 2,700MW in 2015, including the suppressed demand of VALCO and others. The 2016 capacity demand was estimated at 2971MW including a reserve margin of 20%.

The average peak annual demand growth rate of Ghana (2016 over 2015 capacities) has been estimated at 10% off-peak and about 5.5%.

The above trend shows that the lack of investment in the sector did not create the needed capacity and reserve margin which led to the recent power challenges.

2.1 JUSTIFICATION FOR GOVERNMENT ACTION

The AKSA project is in line with the immediate goal of GoG to diversify generation plant fuel mix, its current energy supply gap in order to ensure that power outages are curtailed, make available stable electricity supply to consumers and stabilize the economy for a rapid economic growth. The stable power supply system is critical in Ghana's growth recovery.

The implementation of the 370MW AKSA project is aimed at meeting the demand for electricity in Ghana in the short to medium term whilst arrangements are made to construct medium to long term power projects for the electricity needs of the country.

The project was planned and designed for multiple fuel operational flexibility (i.e. to operate on either Natural Gas or Heavy Fuel Oil) and is situated in Tema (i.e. the load centre) to reduce transmission losses and allow operational flexibility in evacuating power to Accra and the hinterlands. The project has a highly competitive tariff and offers the people of Ghana value for money.

Under the terms of the executed EPA, tax exemption is a Condition Precedent (CP) for the achievement of Commercial Operations Date. The CP has not been met, and is overdue, as the project plans to commission some of the units, and start delivering power to the National Interconnected Transmission System (NIIS). The absence of the associated tax exemptions for the project is putting GoG in a default situation and therefore the urgent need for the approval of the above request from Cabinet and Parliament.

2.2 JUSTIFICATION FOR TAX WAIVER

One of the key constraints facing the development of private power plants in the country is lack of a suitable bankable project structure. Due to the capital intensive nature of power projects as well as the pressing timelines associated with them, Government support is required in order to attract and sustain the much needed private sector investment into the power sector.

promotion program. The investment program enables the importation of equipment, machinery and materials used in connection with the power project free from customs duties and other taxes.

The AKSA project forms part of the strategic measures put in place to ameliorate the power situation, by deploring in the short to medium term a plant of up to 22 Units of Wartsila 18 V 46 engine generator set (Units) with a capacity of 18.3 MW per unit I Tema.

This technology ensures higher efficiencies, which would deliver power to Ghana's national grid at a relatively low cost. Thus, the justification for this project is partly to buy time, reduce costs of energy generation and guarantee reliable energy generation capacity pending the construction of more long term IPP projects.

AKSA with the collaboration of ECG /Ministry of Energy made all price calculations and model assumptions on a tax exclusive basis for the Project (See Section 14 of the EPA). Tax exemptions on this project would not only support the project substantially but will be an incentive on the part of government to create a desirable environment for foreign direct investment.

2.3 TAX LIABILITY ON CAPITAL GOODS AND SERVICES

The Ghana Revenue Authority (GRA) has assessed the tax liability on imports of goods, equipment and services for the AKSA project including the core and non- core aspects of the project especially the import component.

GRA's estimates were based on the estimates for direct and indirect taxes including Withholding tax, Stamp Duty and Corporate Income Tax etc.

In line however with the on- going tax expenditure reforms and considering the core aspects of the project, the Revenue Policy Division of the Ministry has in line with the GRA assessment reviewed the estimates to capture the core component for approval.

2.4 THE PROJECT

As part of the measures to meet the medium term power needs, the Ministry of Energy executed an EPA Agreement with AKSA to deploy up to 22 Units of Wartsila 18 V 46 engine generator set (Units) with a capacity of between 16 and 17.5MW per unit in Tema, to augment generation capacity in the shortest possible time. The EPA has since been assigned to ECG. In the interim, AKSA is required to deploy 14 Units for the generation of 220 MW of power and upon the installation and successful passing of the required operational tests, additional 8 Units will be added to 14 Units to increase guaranteed capacity to 370MW.

2.5 CAPACITY CHARGES & FINANCIAL IMPACT

The terms and conditions of the EPA Agreement require that all Conditions Precedent (CP) must be fulfilled or waived within thirty (30) days from the signature date and all parties are required to use their best endeavors to ensure that the effective date of the EPA Agreement is firmed up not later than 30 days. These CPs include the Parliamentary approval for waivers on the taxes for the project. Parliament consequently approved the Agreement and critical imports were accordingly captured for implementation of the project.

The applicable Capacity Charge derived from the commercial proposal submitted by AKSA is summarized in Table 1 below:

Capital Recovery	3.735 US Cents/kWh
Fixed O&M Charge	0.765 US Cents/kWh
Total Capacity Charge	4.500 US Cents/kWh

Table 1: AKSA Tariff

Description	Units	Asogli-1	Asogli-2	Cenit	Cenpower	Karpower	AKSA
Year of PPA	Year	2007	2014	2013	2012/2014	2014	2015
Plant Capacity	MW	200	360	126	340	450	370
Capacity Charge	US Cents/kwh	3.97	4.4386	4.0506	5.044	5.6076	4.5

Table 2: Comparison of Independent Power Producer Tariffs

We note that the Capacity Charge for the AKSA plant, which is made up of the Capital Recovery Cost and the Fixed O&M charge in Table 1, compares favourably with those of existing and ongoing power plants under construction/operation as per Table 2.

Additionally, the financial offer submitted by AKSA is net of all taxes. Failure to grant tax exemptions will increase the cost of generation from these plants which would make the power generated unaffordable.

3 INTER MINISTERIAL CONSULTATION

In negotiating this Agreement, the Ministry of Energy has engaged with relevant stakeholders in the Power Sector including Public Utilities Regulatory Commission. The Emergency Power Agreement signed with AKSA was reviewed by a team from the Ministry of Energy, the Ministry of Justice and Attorney General's Department, the Volta River Authority (VRA) and Electricity Company of Ghana (ECG). Discussions were held with the Ministry of Finance on the financial terms of the EPA Agreement. Technical teams from the ECG, Ghana Grid Company and AKSA agreed on a technical design of the project for implementation. Parliament was finally engaged on the approval of the EPA.

4 CONCLUSION

Considering the requirements of the AKSA Project Agreements and within the framework of Article 174 (2) of the Constitution, Parliament is respectfully requested to approve and the waiver of Taxes, Customs Duties & VAT, Import Surcharges, ECOWAS Levy and other approved EPC cost estimated at cedi equivalent of United States Dollars, Twenty Seven Million, Three Hundred and Twenty Three Thousand, Two Hundred and Thirty Two (US\$27,323,232.00).

The request is in line with the provision of Article 174 (2) of the Constitution. Attached are the relevant sections of the Agreement, statutory approvals and other supporting documents.



.....

KEN OFORI ATTA
MINISTER FOR FINANCE

For all copies in number and date of this letter should be quoted.

My Ref. No OPCA/378/010618.



05 JUN 2018 OFFICE OF THE PRESIDENT

P.O. BOX 1627
ACCRA
TEL: 0302-201000/2

REPUBLIC OF GHANA

1st June, 2018

CONFIDENTIAL

REQUEST FOR WAIVER OF IMPORT DUTIES, APPROVED TAXES AND LEVIES FOR THE 370 MW AKSA ENERGY POWER PROJECT UNDER A GOVERNMENT OF GHANA CONTRACT WITH AKSA ENERJI URETIM AS (AKSA)

Cabinet at its Thirty-Fourth meeting held on Thursday, 31st May, 2018 considered a report of the Cabinet Committee on Economic Matters on the above Memorandum submitted by the Minister for Finance.

2. The Memorandum requested Cabinet to consider, approve and recommend same to Parliament, the waiver of taxes, customs duties and import surcharges, VAT on import materials and approved services, ECOWAS levy, and other approved Engineering Procurement Construction (EPC) cost estimated at cedi equivalent of **Twenty Seven Million, Three Hundred and Twenty Three Thousand, Two Hundred and Thirty Two United States Dollars (US\$27,323,232.00)**.

3. Cabinet approved the Memorandum and recommended same to Parliament for consideration.

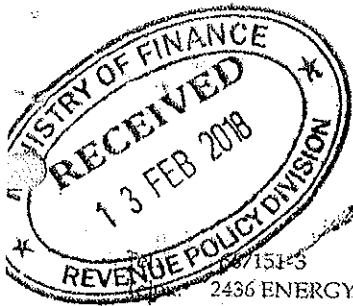
4. I should be grateful if you could take requisite action on the decision by Cabinet.

**NANA BEDIATUO ASANTE
SECRETARY TO THE PRESIDENT
FOR: SECRETARY TO THE CABINET**

THE HON. MINISTER FOR FINANCE

*For the Hon. Minister/Minister
Co: Chief of Staff
Secretary to the President
Secretary to the Vice President
Chairperson, Cabinet Committee on Economic Matters*

**Co: Chief of Staff
Secretary to the President
Secretary to the Vice President
Chairperson, Cabinet Committee on Economic Matters**



MINISTRY OF ENERGY

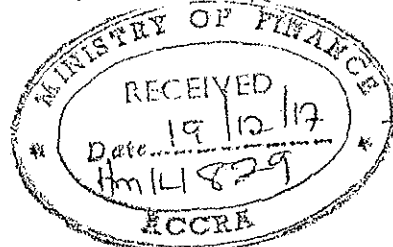


Republic of Ghana

Post Office Box SD 40
Stadium Post Office
Accra, Ghana

Telephone: 6715145
2436 ENERGY.GH
Fax: 668262
IDD Code (233-302)
E-mail: info@energymail.gov.gh
Website: www.energymail.gov.gh

OUR REF: *BY.133/235/018*



13TH DECEMBER, 2017

THE HONOURABLE MINISTER
MINISTRY OF FINANCE
P.O. BOX M40, MINISTRIES
ACCRA

MINISTRY OF FINANCE
RPD 31-07-18
P.O. BOX MB. 40, ACCRA



REQUEST FOR PARLIAMENTARY APPROVAL FOR TAX EXEMPTIONS FOR THE
370MW (ISO) INSTALLED CAPACITY OF POWER DELIVERY SERVICES

1. Reference is made to the above mentioned Agreement between the Government of Ghana (Ministry of Energy) and AKSA Enerji Uretim As. for power delivery services of up to 370mw from thermal power plant made up of 15no. Wartsila Engines.
2. Under this Agreement, AKSA is exempt from paying taxes and duties under the Emergency Power Agreement (EPA) in accordance with the laws of the Republic of Ghana, throughout the completion of the project and execution of the performance of this EPA agreement.
3. The Ministry of Power now Energy has in an earlier attempt liaised with the Ministry of Finance to have the exemption provisions in the contract regularized. The approval is still pending and there is the need to facilitate the exemptions process in line with the contract Agreement.
4. It is noted that intervention by the Ministry of Finance resulted in the assessment and processing of duties and taxes which could not be approved by the previous Cabinet before dissolution.
5. Consequently, we wish to kindly request the Ministry of Finance as a matter of urgency to facilitate approval the tax exemptions through Parliament as required by law and in line with the contract Agreement.

Counting on your usual cooperation.

[Signature]
BOAKYE AGYARKO
MINISTER

Cc: Hon. Dep. Minister (Power)
Chief Director, Ministry of Energy

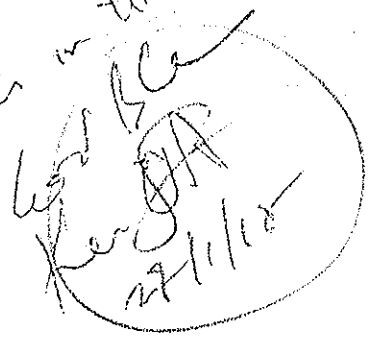
Director RPD
pls refer to you for
How changes
To: CD / Asst / Tony / Monday
Is this in the
Handwritten notes and signatures in the bottom right corner.

up
handwritten notes in the bottom left corner.

Handwritten initials/signature.

Handwritten initials/signature.

Handwritten initials/signature.



In case of reply the number and date of this letter should be quoted.

SECRET



OFFICE OF THE PRESIDENT
P.O. BOX 1627
ACCRA
TEL: 0302-201000/2

My Ref. No. OP/LA.20

Your Ref. No. _____

FREEDOM AND JUSTICE

2ND JUNE, 2015

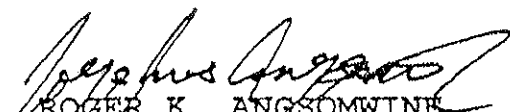


EXECUTIVE APPROVAL IN RESPECT OF EMERGENCY
POWER AGREEMENT BETWEEN THE GOVERNMENT
(MINISTRY OF POWER) AND AKSA ENERJİ ÜRETİM AŞ
FOR THE PROVISION ON A FAST TRACK BASIS OF 370
MW (150) INSTALLED CAPACITY OF POWER DELIVERY
SERVICES

I have for reference your letter No. SCR/RA40/200/01 dated 26th May, 2015.

2. H.E. the President has granted Executive Approval for Emergency Power Agreement (EPA Agreement) to be executed between the Government of Ghana (GoG) represented by the Ministry of Power and AKSA ENERJİ ÜRETİM AŞ (AKSA).

3. I am to request you to take appropriate steps to actualize the Executive Approval.


ROGER K. ANGSOMWINE
SECRETARY TO THE CABINET

THE HON. MINISTER
MINISTRY OF POWER
ACCRA

cc: Chief of Staff
Secretary to the President
Secretary to the Vice President
Senior Policy Adviser/Head,
Policy Delivery Unit

9
C6



PARLIAMENTARY SERVICE

Parliament House - Accra (Ghana)

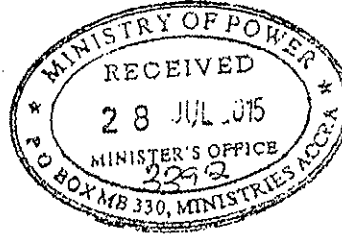


In case of reply the number and date of this letter should be quoted

My Ref. No. EP/T/R/0107
Your Ref.:

Telephone No. 664184 (4lines)
Fax No. 665957
28 JULY 2015

THE HON. MINISTER,
MINISTRY OF POWER
ACCRA.



Hon. Minister,

EMERGENCY POWER AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GHANA AND AKSA ENERJI ÜRETİM AŞ (AKSA) FOR THE PROVISION ON A FAST-TRACK BASIS, UP TO 370MW (ISO) INSTALLED CAPACITY OF POWER DELIVERY SERVICES

Parliament at its Thirty-Ninth Sitting of the Second Meeting held on Friday, 17th July 2015, approved by Resolution the Emergency Power Agreement between the Government of the Republic of Ghana and Akxa Enerji Üretim Aş (AKSA) for the provision on a Fast-Track Basis, up to 370MW (ISO) Installed Capacity of Power Delivery Services.

I am directed to forward to you the text of the Resolution as follows:

WHEREAS

1. By the provisions of Article 181(5) of the Constitution the terms and conditions of any international business or economic transaction to which the Government of Ghana is a party shall not come into operation unless the said terms and conditions have been laid before Parliament and approved by Parliament by a Resolution supported by the votes of a majority of all Members of Parliament;
2. Pursuant to the provisions of the said Article 181(5) of the Constitution, and at the request of the Government of Ghana acting through the Minister responsible for Power, there has been laid before Parliament the terms and conditions of an Emergency Power Agreement between the Government of the Republic of Ghana and Akxa Enerji Üretim Aş (AKSA) for the provision on a Fast-Track Basis, up to 370MW (ISO) Installed Capacity of Power Delivery Services.

THIS HONOURABLE HOUSE HEREBY RESOLVE AS FOLLOWS:

In accordance with the provisions of the said Article 181(5) of the Constitution this house approves the Emergency Power Agreement between

DGT/SLC
PMB
A.T.C.

the Government of the Republic of Ghana and Aksa Enerji Üretim Aş (AKSA)
for the provision on a Fast-Track Basis, up to 370MW ~~(ISO) Installed~~
Capacity of Power Delivery Services.

The Resolution is respectfully submitted for your appropriate action.

Yours sincerely,


ROBERT A. APODOLLA
DEPUTY CLERK TO PARLIAMENT

Cc: Hon. Minister
Ministry of Justice
Accra.

Hon. Minister
Ministry of Finance
Accra.

XISA

13

Year	Month	Decl No	Goods Description	Decl Date	Data	Cif Gho	Amt Exempt Gho		
2015	12	12 52015462988	10M3 TANK WATER	12/03/15 15:17		8,923.08	2,999.95		
		52015466884	RADIATOR	12/08/15 8:18		68,951.29	23,194.03		
		52015466912	RADIATOR	12/08/15 8:23		68,951.29	23,194.03		
		52015466960	RADIATORS	12/08/15 8:35		447,264.03	146,273.01		
		52015467197	COPPER PLATE	12/08/15 9:13		5,175.93	2,351.25		
		52015467388	STEEL FRAME	12/08/15 9:59		15,257.07	5,140.46		
		52015468539	STONES	12/08/15 12:47		23,554.54	10,676.93		
		12 Total						638,077.23	213,829.66
		2015 Total							
		2016	5	5 42016184493	USED DIESEL GENERATOR MODEL# 91150, 91	05/06/16 8:49		69,126.208 50	5,829,361.49
				42016184509	USED ACCESSORIES AND FITTINGS FOR MOI	05/06/16 8:54		15,506,536.50	1,307,655.06
				42016184746	RADIATOR	05/06/16 10:10		177,906.59	14,997.56
42016184835	RADIATOR			05/06/16 10:33		176,619.00	14,889.39		
42016184905	2 PCS CARTRIDGE TPL 772 PCS TURBINE DIF			05/06/16 10:47		51,441.94	4,324.21		
42016185688	STEEL SLEDGEHAMMER			05/06/16 13:53		111.10	46.62		
42016190659	11 PCS USED DIESEL GENERATING SETS TYF			05/10/16 13:20		272,442,779.76	23,021,213.95		
42016190740	ACCESSORIES AND FITTINGS FOR MOUNTINK			05/10/16 13:37		29,821,145.86	2,515,098.19		
42016192602	RADIATOR			05/11/16 12:24		173,751.37	14,664.04		
42016203902	4 PKGS PREFABRICATED BUILDINGS MODULI			05/18/16 14:27		180,617.27	73,981.64		
5 Total						387,657,117.89	32,796,232.15		
6 Total						3,109.51	1,272.53		
2016	7	7 42016306576	RADIATOR	07/26/16 10:16		71,667.65	22,853.58		
		42016306859	RADIATOR	07/26/16 11:06		71,667.65	29,303.66		
		42016307798	STEEL FRAME	07/26/16 14:22		4,130.73	1,109.45		
		42016307805	STONES	07/26/16 14:24		24,482.48	10,240.64		
		42016307963	HAND TOOL	07/26/16 15:05		761.80	318.78		
		42016308214	COPPER PLATE	07/26/16 16:32		5,379.84	2,255.59		
		42016309396	10M3 TANK WATER	07/27/16 12:36		9,274.61	3,883.28		
7 Total						187,864.76	69,964.98		
2016	8	8 42016315985	RADIATOR	08/01/16 14:16		71,667.65	22,853.58		
		42016317164	SANITARY FIXTURES	08/02/16 10:51		59,760.37	24,480.49		
		42016330037	FLANGE, PIPE, ELBOW, U BOLT, NUTS	08/10/16 11:10		98,807.84	41,395.93		
		42016330136	CABLE LADDER AND ACS	08/10/16 11:35		681,355.48	278,488.67		
		42016332892	CURRENT TRANSFORMERS, SINGLE PHASE,	08/12/16 9:35		946,624.51	377,985.72		
		42016332902	PLANT PROTECT EQUIPMENT	08/12/16 9:37		37,615.41	15,733.22		
		42016332906	CIRCUIT BREAKERS RECLOSING	08/12/16 9:38		238,403.95	71,392.67		
		42016332922	INSULATOR STRINGS AND ACS INSULATOR P	08/12/16 9:41		177,769.56	54,959.81		
		42016332933	STEEL BEAMS, PLATES, COLUMNS, CRANE BI	08/12/16 9:45		116,175.86	47,526.84		
		42016332943	CABLE TRAY AND ACS	08/12/16 9:47		176,709.19	72,302.32		
		42016332945	CABLE	08/12/16 9:47		2,020,524.76	827,554.65		
		42016332954	STELL BEAMS, COLUMNS, PLATES, TRUSS BE	08/12/16 9:49		180,634.66	73,858.63		
		42016339812	OLD BUT UNUSED SPARES & TOOLS FOR DG	08/17/16 11:16		1,406,383.98	189,375.50		
		42016346421	LOW VOLTAGE CABLE	08/22/16 9:25		1,774,356.28	726,677.11		
		42016346450	ROCK WOOL	08/22/16 9:35		25,038.61	7,950.93		
		42016346473	RAIL ANCHOR, METALLIC PLATE, TOEING HO	08/22/16 9:43		8,375.86	3,503.04		
		42016358603	PROFILE, ANGLE, PROFILE BOX	08/30/16 9:31		64,186.17	17,237.38		
		42016358649	HELEZON PIPE, GALVANIZED PIPE, PIPE ELE	08/30/16 9:43		88,472.63	23,819.86		
		42016358696	PIPE AND CLIP	08/30/16 9:54		1,304.48	351.47		
		42016358812	RADIATOR	08/30/16 10:19		108,521.71	9,118.00		
42016358962	BOILER TUBES, STEM DRUM, BOILER TUBES,	08/30/16 10:51		196,427.93	16,196.72				
42016358979	BEAM	08/30/16 10:54		1,440,695.19	589,952.85				
42016359047	CONCRETE WALL PANEL	08/30/16 11:07		135,692.45	56,656.26				
8 Total						10,058,504.93	3,549,371.65		
2016	9	9 42016366922	CABLE	09/05/16 9:13		358,821.47	146,953.66		
		42016367015	CABLES	09/05/16 10:01		655,930.84	268,624.21		
		42016367085	PIPE	09/05/16 10:22		113,281.77	30,538.65		
		42016375475	PIPE, ELBOW, FLANGE, EX. REDUCTION, TEE	09/09/16 11:49		284,116.72	76,477.99		
		42016380893	BEAM	09/14/16 14:23		766,708.96	313,675.51		
		42016387854	RADIATOR	09/19/16 15:17		215,745.46	18,125.64		
		42016387889	AUXILIARUES-TRANSFORMER 154/11 5KWTR/	09/19/16 15:28		1,113,324.30	94,185.43		
		42016387947	ROOF PANEL AND ROOF RIDGE	09/19/16 16:36		80,634.63	32,927.61		
		42016401249	ALUMINIUM CONDUCTOR 954 MCM	09/28/16 11:57		42,194.56	13,014.52		
		42016402710	TRANSFORMER 154/11.5 KW	09/29/16 9:27		4,532,091.93	375,275.42		
		42016405297	RADIATOR	09/30/16 12:50		491,345.05	41,024.49		
		42016405337	MEASURING INSTRUMENTS AND ACS	09/30/16 13:00		7,043.51	2,952.61		
42016405363	BEAMS AND COLUMN	09/30/16 13:10		970,270.33	396,925.05				
42016405400	PLANT PROJECT EQUIPMENT	09/30/16 13:20		75,741.51	31,752.87				
42016405455	PIPE	09/30/16 13:40		173,920.65	46,684.28				
9 Total						9,884,168.69	3,889,137.94		
2016	10	10 42016407320	GAS CONCRETE WALL	10/03/16 10:50		136,799.62	55,750.23		
		42016412519	1500KG OF GLASS DISC INSULATYORS FOG 1	10/05/16 15:56		107,855.91	30,738.94		
		42016428232	PRESS MOULD BASE	10/17/16 9:01		17,229.35	0.00		
		42016432513	SENSOR TE601 18V50SG	10/19/16 7:16		3,457.65	0.00		
		52016428828	ELECTRICAL PANEL	10/17/16 11:50		1,403,786.15	375,976.97		
		52016429403	YOKE PLATES LS	10/17/16 14:28		4,906.29	1,357.88		
		52016433902	FLEXIBLE HOSE DN32/FLEXIBLE HOSE DN65	10/19/16 14:47		171,301.89	77,848.50		
52016433935	JOUKA BALL VALVE DN40	10/19/16 14:57		21,914.61	6,927.74				

Handwritten signature or initials.

2016 10 Total

11	42016461445	CABLE CONDUIT	11/07/16 16:46	1,867,231.47	548,600.26
	42016477718	CABLE	11/17/16 12:46	9,429.51	3,861.75
	42016477761	BEAM AND COLUMN	11/17/16 12:57	162,196.75	66,500.67
	42016477813	REDUCTOR, ELBOW, FLANGE, GASKET	11/17/16 13:12	727,482.73	298,267.92
	42016477854	LIGHTING EQUIPMENT	11/17/16 13:12	143,253.17	58,733.80
	42016477864	CAP	11/17/16 13:24	596,849.62	174,578.51
	42016477882	PIPE	11/17/16 13:27	51.62	21.16
	42016477902	BEAM & COLUMN	11/17/16 13:34	308,142.50	72,028.31
	42016477911	COMPANSATOR	11/17/16 13:39	226,830.94	93,000.69
	42016477931	BEAM & COLUMN	11/17/16 13:42	110,245.39	45,200.61
	42016478262	WALL PANEL	11/17/16 13:48	1,563,581.69	641,068.49
	52016475131	CONNECTOR	11/17/16 15:34	305,588.54	125,291.31
	52016475165	FILTER CARTRIDGE	11/16/16 9:43	2,397.24	1,084.81
	52016475240	FLEXIBLE HOSE	11/16/16 9:53	31,187.33	2,610.97
			11/16/16 10:14	13,956.53	6,338.15
				4,201,193.56	1,568,587.15
2016 Total				413,852,691.41	40,443,166.66
Grand Total				414,490,768.64	40,656,996.32

11:Total

2016 Total
Grand Total



In case of reply the number and date of this letter should be quoted

**THE COMMISSIONER
CUSTOMS DIVISION OF
GHANA REVENUE AUTHORITY
P. O. BOX 68
ACCRA**



**TEL: 233-302-666841-4
FAX: 233-302-660019**

30TH DECEMBER, 2016

TAX POLICY ADVISOR,
MINISTRY OF FINANCE,
ACCRA.

RE: APPLICATION FOR TAX ASSESSMENT IN RESPECT OF PROJECT EQUIPMENT AND MATERIALS MEANT FOR 370MW ASKA ENERGY PLANT

I forward herewith the schedule of Assessment of Tax Liabilities totaling Thirty Six Million, Three Hundred and Ninety Seven Thousand, Eight Hundred and Seventy One US Dollars (\$36,397,871.00) being Project Equipment and Materials for the above Project to enable you request for Tax Exemption.

for: COMMISSIONER
(YAW BOAKYE AGYEMANG)
ASST. COMMISSIONER



cc: Revised = 27,323,232

Less: Vehicle
Contractors Equip
Lump sum

TAX ASSESSMENT

IMPORTER/AGENT: MINISTRY OF POWER/AKSA ENERGY COMPANY GHANA LIMITED

Description of Items	Qty	Cif (USD)	I/D Rate	Imp. Duty	Imp. VAT	Imp. NHIL	Eco. Levy	FDAIF	Insp Fee	W/Tax	SIL	TOTAL (USD)
Lubrication and other Oils	15m ltrs	15,000,000	10%	1500000	2475000	412500	75000	75000	150000	150000	300000	5,137,500
Cooling Water Chemical	100k ltrs	1,200,000	5%	60000	189000	31500	6000	6000	12000	12000	24000	340,500
Water Tank & accessories	7pcs	50,000	20%	10000	9000	1500	250	250	500	500	1000	23,000
Safety Spare Part	15k pcs	2,500,000	10%	250000	412500	68750	12500	12500	25000	25000	50000	856,250
Reinforcement Steel & accessories	4k tons	3,500,000	20%	700000	630000	105000	17500	17500	35000	35000	70000	1,610,000
Section Steel, Sheet Bar & accessories	900t	750,000	20%	150000	135000	22500	3750	3750	7500	7500	15000	345,000
Steel Frame & accessories	700t	80,000	20%	16000	14400	2400	400	400	800	800	1600	36,800
Tank Steel Plate & accessories	1100t	6,000,000	20%	1200000	1080000	180000	30000	30000	60000	60000	120000	2,760,000
Exhaust Gas Piping & accessories	950tons	350,000	20%	70000	63000	10500	1750	1750	3500	3500	7000	161,000
Pipe Module & accessories	22pcs	110,000	20%	22000	19800	3300	550	550	1100	1100	2200	50,600
Miscellaneous Pipeline & accessories	35km	140,000	20%	28000	25200	4200	700	700	1400	1400	2800	64,400
High Voltage Line Tower	4pcs	500,000	10%	50000	82500	13750	2500	2500	5000	5000	10000	171,250
Ventilation Unit & accessories	66pcs	36,000	20%	7200	6480	1080	180	180	360	360	720	16,560
Building Steel Frame & accessories	100tons	100,000	20%	20000	18000	3000	500	500	1000	1000	2000	46,000
Feed Water Tank & accessories	1set	20,000	20%	4000	3600	600	100	100	200	200	400	9,200
Wall Penetration Material & accessories	100tons	100,000	20%	20000	18000	3000	500	500	1000	1000	2000	46,000
Radiator Steel Structure & accessories	120tons	800,000	20%	160000	144000	24000	4000	4000	8000	8000	16000	368,000
Living & Office Container & accessories	250tons	400,000	20%	80000	72000	12000	2000	2000	4000	4000	8000	184,000
Coupling & accessories	22pcs	110,000	20%	22000	19800	3300	550	550	1100	1100	2200	50,600
Fuel Oil unit & accessories	22units	110,000	20%	22000	19800	3300	550	550	1100	1100	2200	50,600
Booster unit & accessories	7units	210,000	20%	42000	37800	6300	1050	1050	2100	2100	4200	96,600

Starting Air Bottle & accessories	25units	10,000	10%	1000	1650	275	50	50	100	100	100	200	3,425
Charge Air System & accessories	44pcs	150,000	10%	15000	24750	4125	750	750	1500	1500	1500	3000	51,375
Miscellaneous Spare Part	40k pcs	7,500,000	10%	750000	1237500	206250	37500	37500	75000	75000	75000	150000	2,568,750
Miscellaneous Consumable Spare Part	6000 pcs	1,000,000	10%	100000	165000	27500	5000	5000	10000	10000	10000	20000	342,500
Miscellaneous Spare Equipment	2500pcs	2,000,000	10%	200000	330000	55000	10000	10000	20000	20000	20000	40000	685,000
Engine & Maintenance Tools Set	4sets	1,145,000	10%	114500	188925	31488	5725	5725	11450	11450	11450	22900	392,163
Exhaust Gas Boiler & accessories	10pcs	110,000	5%	5500	0	0	550	550	1100	1100	1100	1100	9,900
Auxiliary Boiler	5units	40,000	5%	2000	0	0	200	200	400	400	400	400	3,600
Diesel Engine Set	22units	96,550,000	5%	4827500	0	0	482750	482750	965500	965500	965500	965500	8,689,500
Turbine Washing unit & accessories	7units	50,000	5%	2500	0	0	250	250	500	500	500	500	4,500
Pump unit & accessories	7units	50,000	5%	2500	7875	1313	250	250	500	500	500	500	13,688
Feeder unit & accessories	6units	50,000	5%	2500	7875	1313	250	250	500	500	500	500	13,688
Transfer Pump unit & accessories	4units	40,000	5%	2000	6300	1050	200	200	400	400	400	400	10,950
LFO Pump unit & accessories	7units	40,000	5%	2000	6300	1050	200	200	400	400	400	400	10,950
HFO Pump unit & accessories	11units	40,000	5%	2000	6300	1050	200	200	400	400	400	400	10,950
Oil unloading unit & accessories	4units	20,000	5%	1000	3150	525	100	100	200	200	200	200	5,475
Lube Oil unloading Unit & accessories	4units	20,000	5%	1000	3150	525	100	100	200	200	200	200	5,475
Dodge Transfer unit & accessories	4units	40,000	5%	2000	6300	1050	200	200	400	400	400	400	10,950
Pump unit & accessories	40units	25,000	5%	1250	3938	656	125	125	250	250	250	250	6,844
Feed Water Pump & accessories	8units	30,000	10%	3000	4950	825	150	150	300	300	300	300	9,975
Air Compressor & accessories	8units	50,000	10%	5000	8250	1375	250	250	500	500	500	500	16,625
Air Compressor Instrument	9units	50,000	10%	5000	8250	1375	250	250	500	500	500	500	16,625
Oil separator unit & accessories	22units	110,000	5%	5500	17325	2888	550	550	1100	1100	1100	2200	31,213
Oily Water treatment unit & acces	2units	35,000	5%	1750	5513	919	175	175	350	350	350	700	9,931



[Handwritten signature]

Water Treatment Equipment	1set	150,000	5%	7500	23625	3938	750	750	1500	1500	3000	42,563
Fire Protection & accessories	2k pcs	1,100,000	5%	55000	173250	28875	5500	5500	11000	11000	22000	312,125
Overhead Crane & accessories	9pcs	120,000	5%	6000	0	0	600	600	1200	1200	1200	10,800
Forklift	10pcs	175,000	5%	8750	0	0	875	875	1750	1750	1750	15,750
Cooler Module & accessories	22units	110,000	5%	5500	0	0	550	550	1100	1100	1100	9,900
MFO Separator & accessories	8units	150,000	5%	7500	0	0	750	750	1500	1500	1500	13,500
Valve & accessories	4k pcs	60,000	5%	3000	0	0	300	300	600	600	600	5,400
Diesel Generator & accessories	4units	150,000	5%	7500	0	0	750	750	1500	1500	1500	13,500
Service Transformer & accessories	7units	310,000	5%	15500	0	0	1550	1550	3100	3100	3100	27,900
Power Transformer & accessories	5units	2,200,000	5%	110000	0	0	11000	11000	22000	22000	22000	198,000
LC & UPS System & accessories	30units	40,000	5%	2000	6300	1050	200	200	400	400	400	10,950
LV Switchyard Equip & accessories	2k units	3,000,000	10%	100000	165000	27500	5000	5000	10000	10000	10000	332,500
Medium Voltage Panel	47pcs	1,150,000	5%	57500	181125	30187.5	5750	5750	11500	11500	11500	314,813
L/V Panel	90sets	190,000	5%	9500	29925	4987.5	950	950	1900	1900	1900	52,013
Engine Control Panel	150pcs	400,000	5%	20000	63000	10500	2000	2000	4000	4000	4000	109,500
Lightening/Earthing Equipment	1100pcs	150,000	20%	30000	27000	4500	750	750	1500	1500	1500	67,500
L/V Cables & accessories	300km	1,700,000	20%	340000	306000	51000	8500	8500	17000	17000	17000	765,000
Miscellaneous Cable & accessories	60km	120,000	20%	24000	21600	3600	600	600	1200	1200	1200	54,000
Flexible Connection & accessories	1000pcs	205,000	20%	41000	36900	6150	1025	1025	2050	2050	2050	92,250
Engine Control Cable & accessories	5km	60,000	20%	12000	10800	1800	300	300	600	600	600	27,000
MV Cable & accessories	30km	2,800,000	20%	560000	504000	84000	14000	14000	28000	28000	28000	1,260,000
L/V Overhead Cable & accessories	32.5km	3,000,000	10%	300000	295000	82500	15000	15000	30000	30000	30000	997,500
MV Underground Cable	300m	1,000,000	10%	100000	165000	27500	5000	5000	10000	10000	10000	332,500
Landcruiser Vehicle	4units	400,000	20%	80000	72000	12000	2000	2000	4000	4000	8000	184,000

MALAYA KEYAKIN &
CUSTOMERS DIVISION
P. O. BOX 5, ACCR

Pick Up Vehicle	6units	600,000	5%	30000	94500	15750	3000	3000	6000	6000	12000	170,250
Exhaust Gas Silencer & accessories	22pcs	275,000	10%	27500	45375	7562.5	1375	1375	2750	2750	5500	94,188
Health/Safety Equipment	1000pcs	75,000	10%	7500	12375	2062.5	375	375	750	750	1500	25,688
Workstation & accessories	4sets	420,000	10%	42000	69300	11550	2100	2100	4200	4200	8400	143,850
Cubicle & accessories	22pcs	95,000	10%	9500	15675	2612.5	475	475	950	950	1900	32,538
Office & Living Furniture	100pcs	100,000	20%	20000	18000	3000	500	500	1000	1000	2000	46,000
Computer & accessories	500pcs	250,000	5%	12500	39375	6563	1250	1250	2500	2500	2500	68,438
Miscellaneous Safety Spare Part	80k pcs	15,241,018	10%	1524102	2514768	419128	76205	76205	152410	152410	304820	5,220,049
TOTAL		175,017,018		14053052	12608073	2101345	875085	875085	1750170	1750170	2374890	36,397,871

CERTIFICATE

TOTAL TAX LIABILITY=36,397,871 US DOLLARS

This is to certify that the assessment given is true and correct.

Importer/Agent's Name & Designation:

Signature:

\$ 27,323,232

For Official Use

Assessment rechecked and found correct and complete.

.....30-12-2016.....

Date

Signature: *[Signature]*

Officer's Name & Rank:- GIDEON GLEY
(REVENUE OFFICER)

OFFICER IN CHARGE
GRAZIA REVENUE AUTH
(CUSTOMS DIVISION)
T. O. 252 & 2004

Lejr! Vehicle
Official List provided
Contractors Equipment

[Handwritten signature]

DEED OF ASSIGNMENT

This DEED OF ASSIGNMENT is made this 21/11 day of February, 2016

BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GHANA represented by the Ministry of Power or its authorized representative having its principal office at the Main Ministries Area, Accra and of P. O. Box MD 330 Ministries, Accra, Ghana (hereinafter referred to as the "GoG" which expression where the context admits shall include its successor-in-title) on one part.

AND

ELECTRICITY COMPANY OF GHANA LIMITED a wholly governed company and incorporated under the Laws of Ghana of P. O. Box GP 521 acting per its Managing Director (hereinafter referred to as "ECG" which expression where the context admits shall include its successors-in-title and assigns) of the other part.

GoG and ECG are referred jointly as "Parties".

WHEREAS

- a) GoG signed an Emergency Power Agreement ("EPA") with AKSA ENERJI URETIM AS of Turkey dated 12th May, 2015 under which AKSA ENERJI URETIM AS has to provide to GoG up to 370 MW (ISO) installed capacity of power delivery services including;
 - (i) The provision of operation, maintenance and technical services as well as the fuel
 - (ii) The supply and construction of a transmission line and auto transformer,
 - (iii) The financing and insurance of the plant

- (iv) The mobilization construction, installation and commissioning of the plant and
- (v) The operation and maintenance of the plant under the terms and conditions contained therein

b) GoG desirous of assigning its rights and obligations under the EPA to ECG had notified AKSA ENERJI URETİM AS.

1.0. NOW THEREFORE THIS DEED WITNESSETH as follows:

- 1.1. In accordance with Clause 15.2 of the EPA, GoG hereby assigns its rights, duties and obligations under the EPA to ECG effective as of the date of the execution of this Agreement (" the Effective Date)
- 1.2. ECG hereby accepts the assignment of the EPA and has assumed the rights, duties and obligations of GoG under the EPA from and after the Effective Date, *provided that* all of GoG's obligations under the EPA shall continue as obligations of GoG if ECG fails to perform all or any of such obligations, in accordance with clause 15.4 of the EPA.
- 1.3. Notwithstanding the assignment of the EPA to ECG, the Parties agree that GoG shall meet the government-related obligations required for the successful implementation of the EPA.

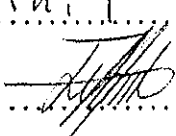


IN WITNESS WHEREOF the Parties hereto have caused their authorized representatives to affix their Hands and Common Seals the day and year first above written.

SIGNED SEALED AND DELIVERED BY }
GOVERNMENT OF GHANA

Name: HON. JOHN ABDULAH JINAPOR

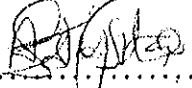
Title: DEPUTY MINISTER

Signature:  HON. DEPUTY MINISTER
MINISTRY OF POWER

In the presence of: ACCRA

Name: SEYRAM WILLERMINA ADABLA

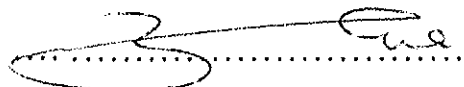
Position/Title: SENIOR LEGAL COUNSEL

Signature: 

SIGNED SEALED AND DELIVERED by }
the said ELECTRICITY COMPANY OF
GHANA LIMITED

Name: ROBERT NYAMEYA

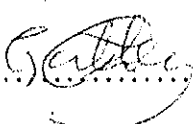
Title: MANAGING DIRECTOR

Signature: 

In the presence of:


Name: Cephas Galley

Position/Title: Lawyer

Signature: 



PARLIAMENT OF GHANA LIBRARY





EMERGENCY POWER AGREEMENT

BETWEEN

GOVERNMENT OF GHANA, REPRESENTED BY THE MINISTRY OF POWER

AND

AKSA ENERJİ ÜRETİM AŞ

EMERGENCY POWER AGREEMENT

12

J

199

TABLE OF CONTENTS

	Page
1 GENERAL PROVISIONS	1
2 SCOPE OF PDS	14
3 AKSA'S RESPONSIBILITIES	15
4 GOG'S RESPONSIBILITIES	17
5 PRICING, FUEL SUPPLY, COMPLETION SCHEDULE, PAYMENT TERMS, TERM AND FUEL DELIVERY	18
6 DELIVERY, RETURN AND OWNERSHIP	27
7 SITE ALLOCATION AND PREPARATION	27
8 REPLACEMENT AND/OR ADDING EQUIPMENT	28
9 NATURE OF CONTRACT	28
10 GOG'S OBLIGATIONS	29
11 NOTICES	29
12 FORCE MAJEURE	30
13 CHANGE IN LAW	33
14 TAXES, DUTIES AND CUSTOM FEES	35
15 ASSIGNMENT, LIENS AND SUBLETTING	35
16 REPRESENTATIONS AND WARRANTIES	36
17 LIMITATIONS OF LIABILITY	37
18 LIABILITY AND INDEMNIFICATION	38
19 AKSA'S ENTITLEMENT TO SUSPEND WORK	38
20 DEFAULT AND TERMINATION	39
21 ENTIRE CONTRACT, GOVERNING LAW	42
22 MODIFICATION, WAIVER, MISCELLANEOUS	42
23 DISPUTE RESOLUTION	42
24 ARBITRATION	44

PS

J. Cruz

25	IMMUNITY	46
26	PROPRIETARY INFORMATION.....	46
27	SERVICES: HEALTH AND SAFETY MATTERS	47
28	CONTINUITY OF SUPPLY	48
29	CONDUCT OF THE PARTIES	48
30	INSURANCE.....	49
ANNEX 1.A		
	ELECTRICITY METER STANDARDS AND SPECIFICATIONS	51
ANNEX 1.B.		
	METER READING PROTOCOL	52
ANNEX 1.C		
	OPERATIONAL TEST PROTOCOL	53
ANNEX 1.D		
	OPERATIONAL TEST CERTIFICATE.....	54
ANNEX 2		
	TECHNICAL DESCRIPTION.....	55
ANNEX 3		
	FUEL SPECIFICATIONS.....	61
ANNEX 4		
	SAMPLE PAYMENT SECURITY FORM	65
ANNEX 5		
	SAMPLE PERFORMANCE GUARANTEE FORM.....	68
ANNEX 6		
	SINGLE LINE DIAGRAM.....	70
ANNEX 7		
	PAYMENT PROTOCOL.....	71
ANNEX 8		
	PROJECT IMPLEMENTATION MILESTONES	74

TJ

J. Cuy
