



## EYE WORLD

### Letter from Accra

from Our Own  
Correspondent

**O**UR rulers in Ghana have an exquisite sense of irony. They picked 1 July – 62 years since we cut ties with Queen Elizabeth – to announce that we were giving up our sovereignty again, this time to the International Monetary Fund.

Five days later, an IMF team landed here in Accra and opened negotiations on a \$2.5bn bail-out. The conditions – cuts in public spending, wage bills and our politicians' pet projects – will be onerous.

This is a bizarre twist for those who voted for Nana Akufo-Addo and his pro-business New Patriotic Party. They were elected on a plan to pull the country out of an IMF programme negotiated by their predecessors, John Mahama and the centre-left National Democratic Congress. Our national economy had been left chronically indebted. We were told that Akufo-Addo's NPP, run by business people and bankers, knew how to make an economy work, that they would transform Ghana into a bold, high-tech regional 21st-century powerhouse.

Our eloquent leader Akufo-Addo launched our "Beyond Aid" strategy, under which we would grow our economy through equitable trade and end the demeaning foreign handouts. Our technocrats would chart the path to a high-growth industrial future and our responsible ministers would guard the public purse jealously. From Addis Ababa to Johannesburg, and Paris to Beijing, Akufo-Addo's "Beyond Aid" speeches won hundreds of thousands of followers; our new zeitgeist.

There were grand plans – a factory for each of our 216 districts, a new dam in every village, and free secondary education with books and

uniforms thrown in – but banker turned finance minister Ken Ofori-Atta didn't release the cash. Instead, Ofori-Atta, who is the president's cousin, focused on borrowing more and floating eurobonds in London, in the name of restructuring our burdensome foreign debts.

Of course only the serially cynical would suggest that Ofori-Atta's strategy might be linked to the service fees earned by local financial institutions, such as the Databank group he founded in 1990, and his pals in the US investment banks. Unlike our slowing national economy, Databank's shares on the Accra stock exchange are up 16 percent year on year.

Now one of our sharpest analysts, Bright Simons, muses whether "Ghana beyond aid" has devolved into "Ghana beyond help". With our national debt nudging \$50bn – over 80 percent of our national income – and after a couple of downgrades by the ratings agencies, we are heading for default.

Now the pressing task for Ofori-Atta and Akufo-Addo is how to finance their pet projects with the IMF's financial sanitary inspectors breathing down their necks. Cue our star architect David Adjaye, who has already collected a few million dollars on a state-backed plan to build a hugely expensive new national cathedral in Accra.

And then, as oil and gas-producing Ghana struggles to take advantage of rising international demand, our government wants to pay a billion dollars to a Norwegian conglomerate to buy back an oil licence of questionable value and productivity.

Most egregious for the IMF's inspectors will be Ofori-Atta's grand plans to sell forward the royalties from our biggest goldmines for the next 30 years, then wrap them in a new company called Agyapa, registered in Jersey. It's a great deal for the well-connected: the company's shares, which look undervalued, are likely to be snapped up. But it's less of a bonanza for the rest of us, with inflation heading towards 30 percent and a third of our school leavers unable to find jobs.



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