

Ghanaian development bank accused of blowing World Bank & European cash “like water”

brightsimons.com/2024/11/12/ghanaian-development-bank-accused-of-blowing-world-bank-european-cash-like-water/

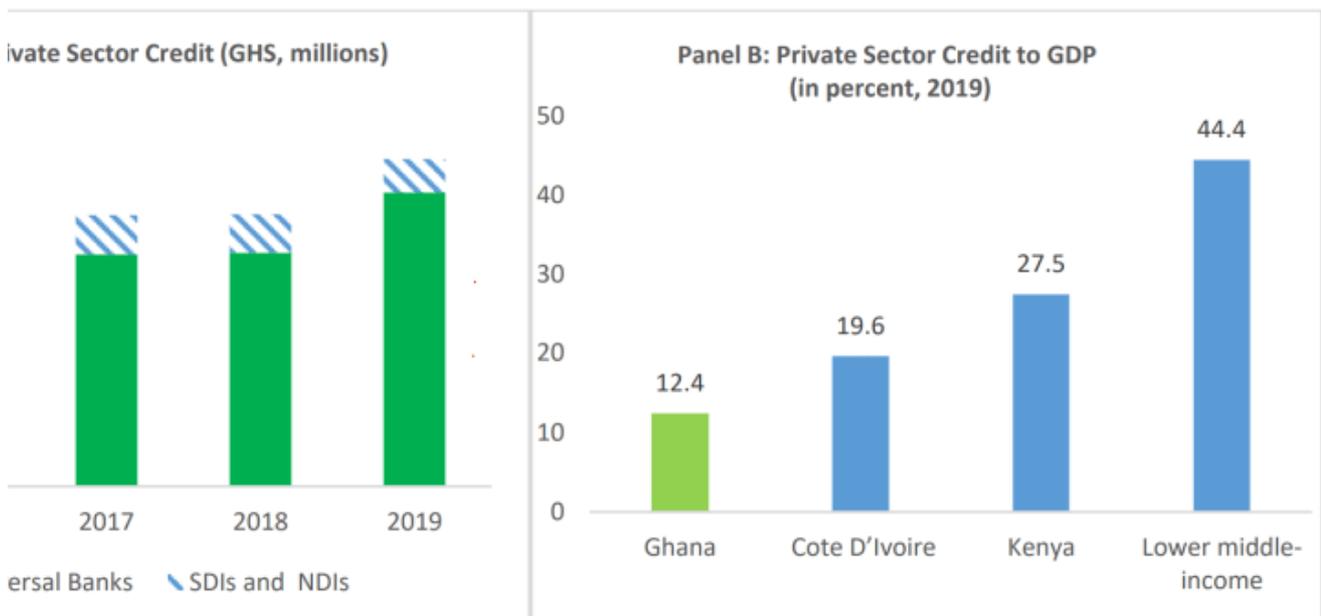
ber 12, 2024

ing in the plush hallways of Ghana’s newly minted *Development Bank Ghana* (DBG).

ernal audit unit. On the other side are arrayed the well-heeled executives and board members supervising over the lions of dollars invested in DBG. To understand this fight, the reader must bear with me as I take a long detour to chronicle ent readers may skip to the concluding sections.

It bank, seriously?

address the appallingly low private sector credit levels in Ghana. Credit to private sector actors in Ghana as a share of r than the level in Ivory Coast, only a little above a quarter of the benchmark for its global peer group, and lower than half of



velopment Indicators (WDI), World Bank; BoG; and World Bank staff calculations.

	GNI per Capita (US\$, Atlas method)	Broad Money (% of GDP)	Banking assets (% of GDP)	Domestic Credit (% of GDP)	Credit to Private Sector (% of GDP)
	2,220	26.9	33.5	26.0	12.4
	1,500	22.1 ^a	24.7 ^a	19.3 ^a	15.2 ^a
	2,290	31.3	37.2	29.7	19.6
	1,750	36.2	53.7	42.9	27.5
	2,030	23.9	25.1	24.8	10.5
	6,040	74.1	106.8	80.4	138.8 ^a
	590	60.3	40.8	39.7	15.7
	1,450	23.8	31.4	24.6	14.6 ^a
average	2,189	70.5	—	62.5^a	44.4
average	1,550	43.4	—	39.6 ^a	45.5

Development Indicators (accessed on July 27, 2020); IMF, Monetary and Financial Statistics; World Bank staff.
 atest.

Private sector credit as a share of GDP had, compared to 2014, fallen by a third at the time of DBG's conceptualisation in 2019. Today; the figure is just a little above a third (~7.4%) what it was in 2014 (~19%).

(PSC)											
%	16.1	15.4	10.6	4.4	10.7	0.2	5.1	8.2	10.8	14.9	17.6
%	7.9	7.9	7.8	7.9	8.3	6.5	6.5	6.8	6.8	7.1	7.4
%	-18.5	-19.4	-21.0	-24.4	-10.2	-18.9	-14.7	-14.0	-11.4	-6.7	-4.2

^a subject to revision

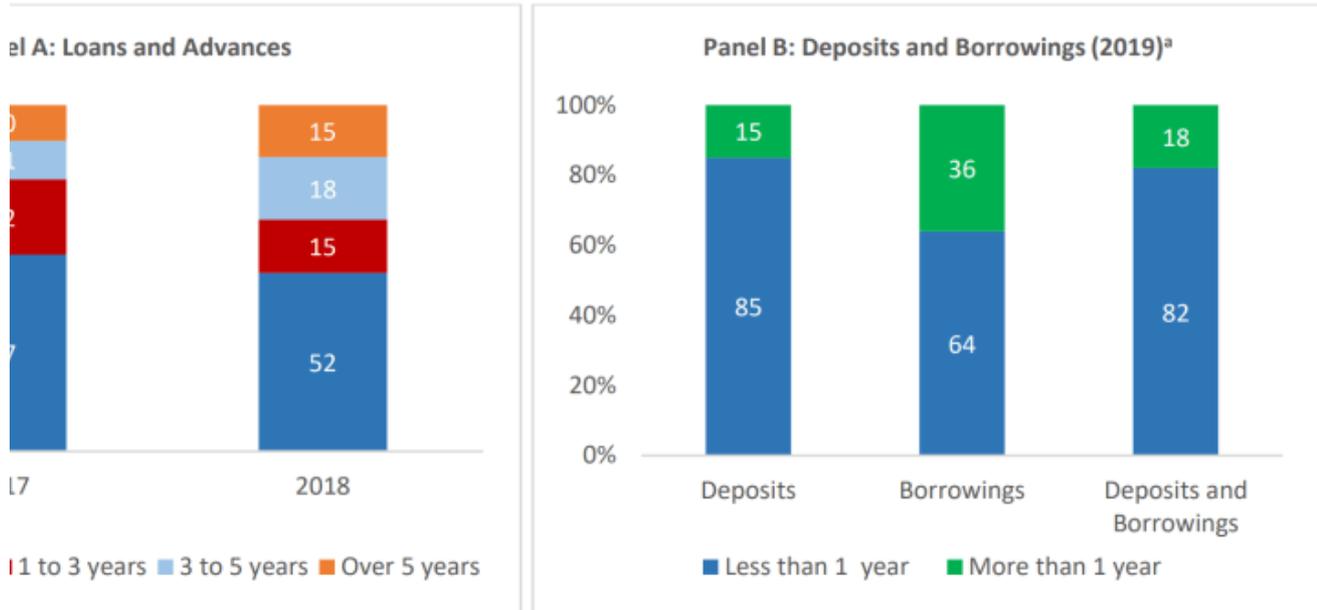
Source: Bank of Ghana (2024)

and state of affairs included the ridiculously high interest rates (currently ranging between 30% and 60% on the market, to companies that have successfully raised bonds on the Ghana Stock Exchange for less than 25%); weak domestic capital and asset management pools; the “crowding out effect” of excessive government borrowing; and the historically high risk of crisis of the financial industry.

Small enterprises can meet their investment needs through the banking sector, and medium-sized enterprises, at 15%, fare poorly. At the time of setting up DBG that the share of Ghanaian respondents to the Findex Survey, who reported access to financing their business, had declined from 10.2% in 2014 to 7.5% in 2017.

Shortage of capital also featured as a strong justification for DBG's setup. Despite agriculture's 19% GDP contribution in 2019, only 10% of the sector. The PwC feasibility study for DBG's setup was said to have identified a \$28 billion financing gap in 2020 for SMEs that existing financial institutions would be hard-pressed to fill. The small and medium enterprises (SME) financing gap, been pegged at \$6.1 billion.

Female-owned, it is often short-term and, thus, less useful for capital investments in sectors with long payback periods, such as infrastructure and real estate services. Furthermore, the demand for adequate collateral virtually rules out the majority of SMEs, especially those run by women. There is an 82% gap in capital investment versus their male colleagues.



versal Bank’s Financial Statements; World Bank staff calculations.
 ita of 15 banks accounting for 73 percent of the banks’ loans and advances in 2019.

a path Ghana has tread quite a bit

he government of Ghana has attempted to address some of these problems in the past using the “development bank” for instance, the National Investment Bank (NIB) and Agricultural Development Bank (ADB) were set up to enhance access private sector operators with a “national development” and “financial inclusion” focus.

institutions, and others created later in the 1970s like the Bank for Housing & Construction (BHC) and Ghana Cooperative s were actually in the 1940s), was attributed by the World Bank in its review of the DBG concept to:

funding, poor financial performance, and change of business models”.

nce institution (DFIs) created in recent times, Ghana EXIM, was said to be in regulatory limbo until the passage of Ghana’s

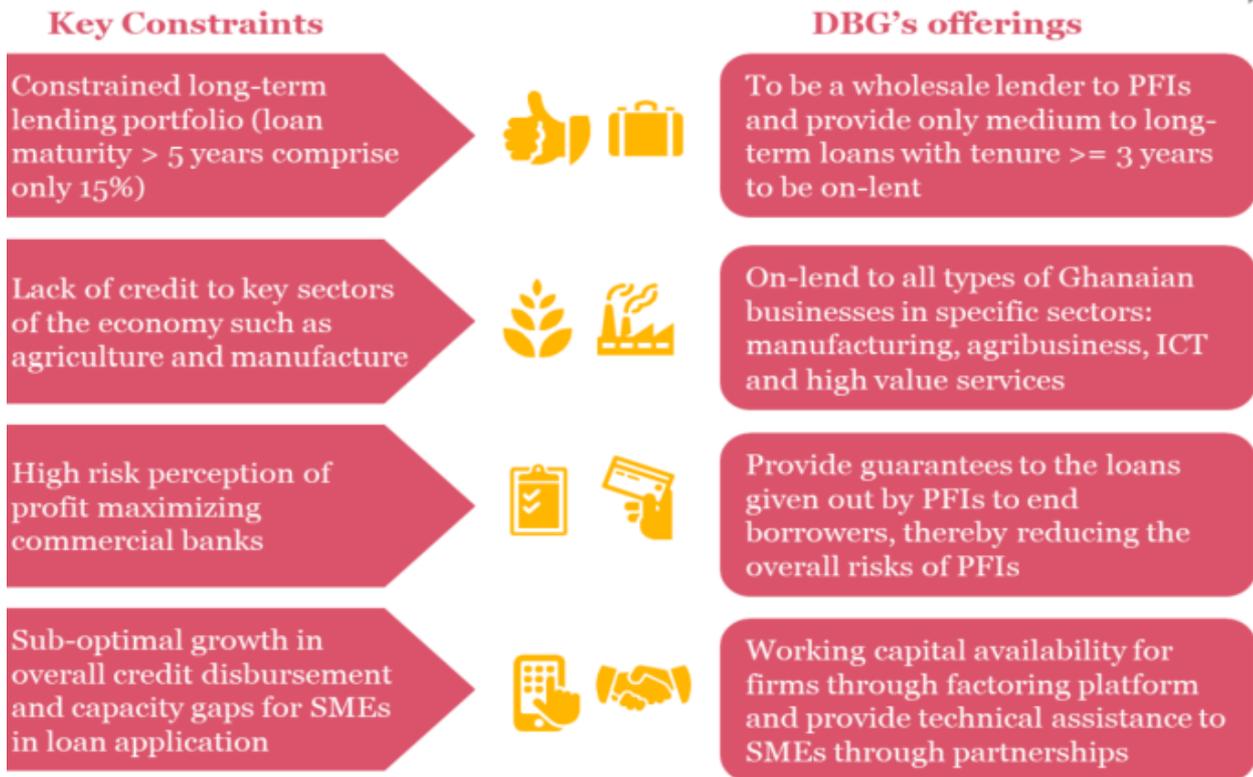
tion of ADB and NIB was a matter of priority for the government, and funds would soon be set aside in the budget and bank and elsewhere for the purpose. Ghana’s political opposition had been adamant that priority be given to the state-owned om the World Bank’s “financial stability” loan.

viewers saw clearly that the medley of DFIs in Ghana needed synergy and coherence, and that the coordination among ning DBG was unclear, they were still content to parrot the government’s line about the role the DBG would play in the f the economy”, job creation, unlocking of medium and long-term capital, and the addressing of “market failures”.

s used by the World Bank to justify the setup of **brand new** DFI in Ghana that would be run according to international best rate with a fundamentally new market mindset, and with a sharper focus on SMEs (especially those without access to anufacturing, and high-value services.

i DBG would be the “only wholesale” DFI in Ghana were not practically true, since several institutions were in the wholesale ch institutions are not exclusively wholesale did not make wholesale/on-lending (as well as guarantee programs) a novelty

Business Case for DBG

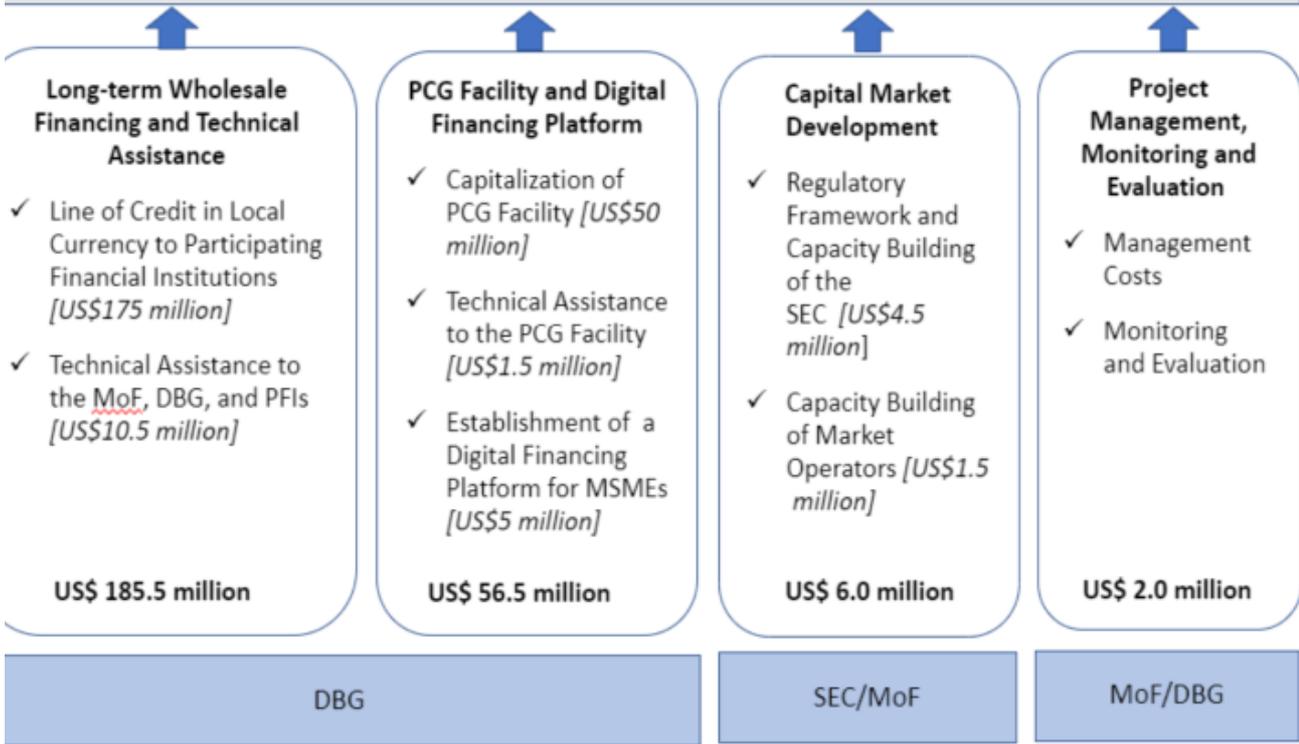


Source: PwC (2019)

ed on new guardrails to ensure that DBG does not go down the bankrupting paths of the DFIs before it. “Corporate ed several times. Comfort seemed to have been placed in the fact that a new DFI Act is now in place to aid the Bank of

», the World Bank pledged \$250 million for the establishment of the new bank with the funding components segmented as low.

support the establishment of a financially sustainable development bank to increase access to finance, in particular long-term finance, for viable MSMEs and small corporates

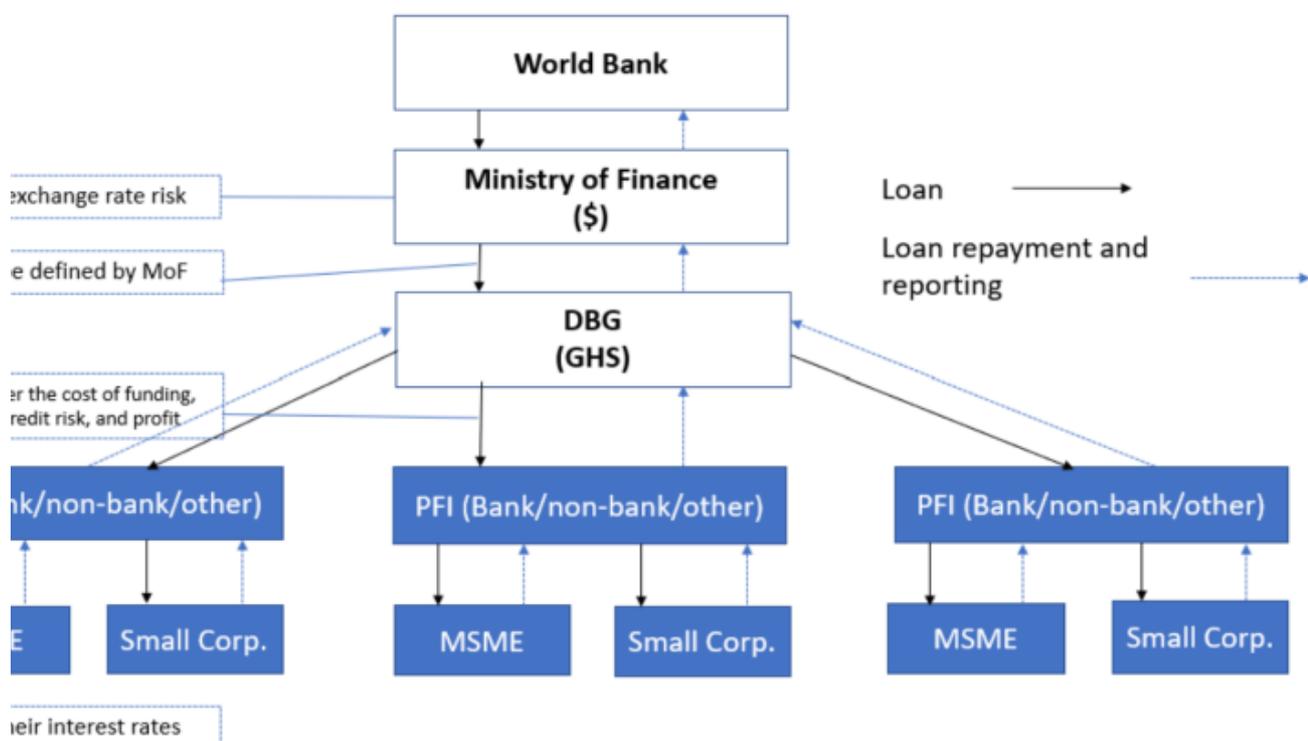


Category	Amount of the Financing Allocated (expressed in US\$)	Percentage of Expenditure to Be Financed (Inclusive of Taxes)
non-consulting services, consulting and Operating Costs under Parts 1 (except 2.1), 3 and 4 of the project	22,500,000	100
under Part 1.1 of the project	175,000,000	100
guarantee Facility under Part 2.1 of the	50,000,000	100
PA	2,500,000	Amount payable pursuant to Section 2.07 (a) of the General Conditions
	250,000,000	

Final instructions for disbursements will be provided in a disbursement letter to be issued for

Amount	-	US\$250,000,000
Rate	-	1.33% p.a.
Term Period	-	30years
including 5 year Grace period		
Annual Commitment Charge- (waived for 2020)		0.5% p.a.
Interest Charge	-	1.3% p.a.
Spread/Markup	-	26.33%

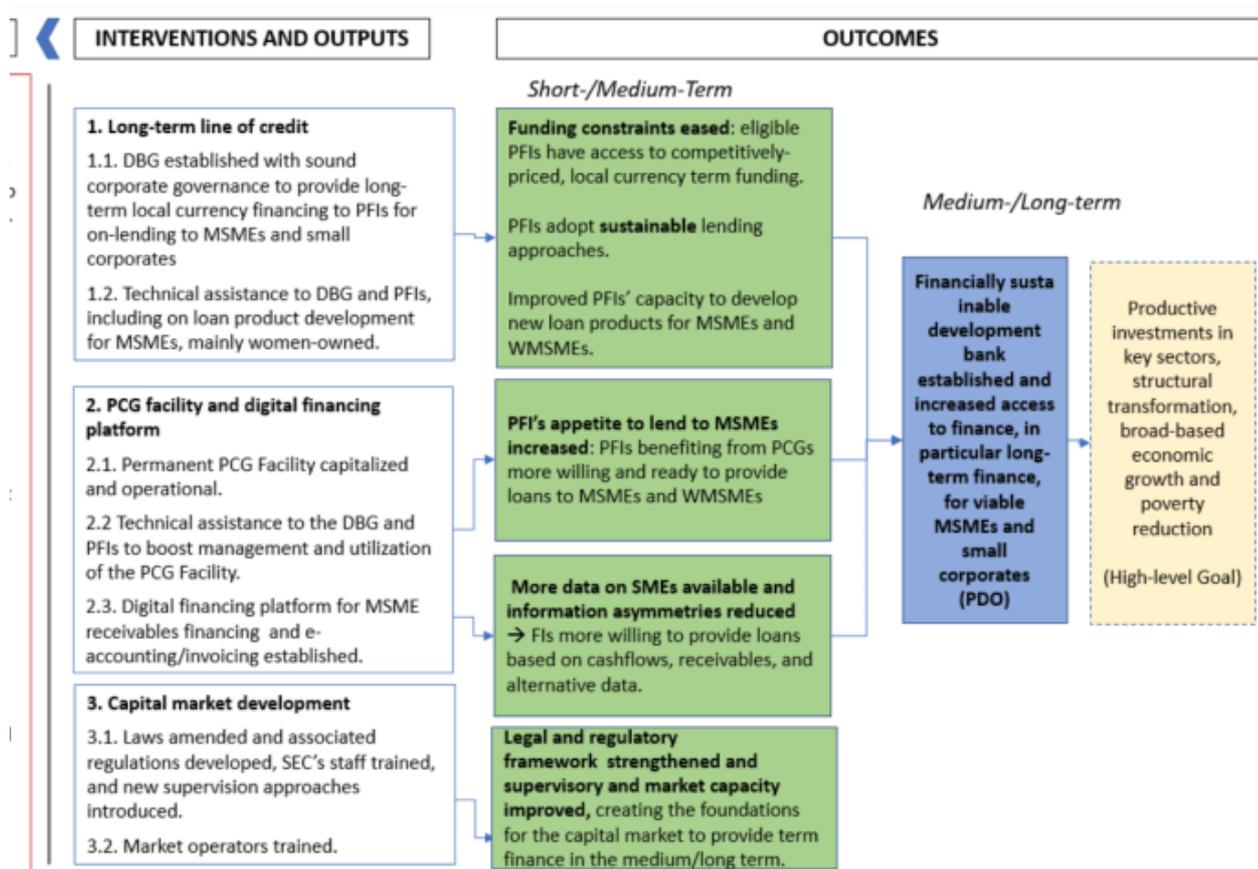
Flow of World Bank projects, was to flow through the government, which is injecting \$250 million into the Bank from its own means "participating financial institution") through the intermediation of DBG.



ng relatively cheap finance lent to the government of Ghana by the World Bank, DBG will on-lend at low interest rates to t these banks will then give loans at affordable rates to small businesses, as much as possible, without collateral.

and sustainability agenda, at least 10% of funds lent must go to women-led businesses and 5% to climate-related credit-guarantee products (initially capitalised with \$50 million of World Bank funding) would, additionally, crowd in \$300 private sector by reducing the perceived risk of lending to SMEs.

ige was laid out as in the diagram below.



ected to channel \$475 million to 12000 SMEs by 2030 (original timeline: 2027) with a loss rate of about 10% (~\$47.5

Active Indicators

	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Bank to increase access to finance to viable MSMEs and small corporates					
SMEs and		0.00	25,000,000.00	175,000,000.00	475,000,000.00
Es		0.00	22,500,000.00	150,000,000.00	425,000,000.00
NPL)		0.00	2.50	6.00	10.00
xtended		0.00	4.00	5.00	6.00
ions		0.00	5.00	10.00	15.00
age)		0.00	5.00	10.00	15.00

ne by the World Bank, European DFIs stepped into the fray. The European Investment Bank (EIB) and the German edged about \$180 million and \$50 million respectively in today's money. KfW also provided a \$3 million technical assistance

velopment Bank offered \$38.3 million in grant funding. A loan was not possible since DBG did not yet have 3 years of

project when it was still incubated at the Ministry of Finance, well established consulting entities were procured to /ities for the setup of DBG in order to convince the World Bank to disburse more money.

Assignment	Consultant	Contract Price US\$
Agency service for the support of search and selection of Board and Management of Development Bank.	Pricewaterhouse Coopers Ltd	212,479.11
Agency Service as Development Advisor	Kojo Afful	90,000.00
Agency fee as Environmental Consultant Specialist for GDFP.	Kobina Otu Okyne	60,000.00
Agency fee as Social Specialist for the	John Boateng Akuoko-Tawiah	60,000.00
Agency Services for the development of policy for DBG.	Ernst & Young Advisory Services Ltd.	112,930.00
Agency for the development of technical specifications of the Management Information System for DBG	Daniel Kwasi Tweneboah	100,000.00
		635,409.11

the Ministry of Finance only wished to do the barest minimum under World Bank supervision. The reason is not far-fetched. Established competitive procurement as the baseline approach with tight thresholds. In their own words,

“risk of political interference and conflict of interest, the default procurement process will be direct.”

Review Threshold in (US\$ '000)				Procurement Methods Thresholds (in US\$'000)								
Procurement Method	Consultants		Single Source & Direct Contract	Works			Goods, IT and non-consulting services			Shortlist of National Consultants		
	Firms	Individuals		Open International or ICB	Open National or NCB	Request for Quotation/ National Shopping	Open International or ICB	Open National or NCB	Request for Quotation/ National Shopping	Consulting services	Engineering & construction supervision	
Direct	≥\$500	≥\$200	≥\$50	≥15000	<15000	≤200	≥3000	<3000	≤100	<300	≤500	

actors responsible for DBG's setup kept on lamenting to government auditors about the difficulties they were having finding / and internationally to undertake various assignments.

ment were terminated or deferred either because, according to them, none of the consulting firms from around the world : requisite qualifications or that it was best for DBG to fully commence business first.

P-157530-CS-QCBS / Firm ete a design study and usiness plan for the platform.	29 -Sept-21	This is a specialized assignment and need industry players to apply. Unfortunately, the assignment was first advertised in the local and international media incl. World
		Bank website and UNDB was not successful. The firms that expressed interest were found not suitable. Effort were made to headhunt and use limited approach but this was not successful either. The Project together with the World Bank decided in March 2022 to re-advertise. The selection process is ongoing.
P-157533-CS-INDV / nal consultant to provide assistance to the Bank of develop directives and l guidelines for ent finance institutions.	30-Nov-20	The assignment was first advertised in December 2020 and the project has gone through three (3) cycles of effort to recruit the right candidate. Each time we are not able to find the right candidate. The World Bank even suggested to us some consultants but they were not suitable. Subsequently two advertisements had been made, the last on 22 nd January 2022. After a lengthy process, a consultant selected withdrew at the negotiation stage on 13 th June. We have invited the 2 nd ranked candidate for negotiation
P-157540-CS-INDV / nt of international ent finance advisor.	30-Nov-20	The position was deferred until DBG starts business. New advert was published on 22 nd April and new candidates are being evaluated.

erational and the incubation process could thus be terminated. On paper, strict governance procedures and independent a bulwark against waste, inefficiency, and procurement abuse.

in 2022 to 2023, the bulwark started to tremble. Then, in 2023, two of the most outspoken and unflinching independent

tleblowers, and documents we have reviewed, their departure is linked to a massive tussle between the management and action that mysteriously appears to have escaped the radar of the external auditor, KPMG.

consulting and technology

al statements of the Bank show that spending on professional services was by far the largest expenditure category, total spending. Next on the list is “information technology” and “investor relations” spending.

	2023	2022
	GH¢'000	GH¢'000
ospitality	4,505	1,439
	11,797	13,778
	1,280	486
	860	653
d expense	1,018	66
cleaning	631	365
fees**	68,669	50,049
cial responsibility	1,048	723
tions and communication	14,928	2,887
ense	149	61
i and allowances	9,164	7,099
ve and sundry expenses	<u>8,613</u>	<u>2,926</u>
	<u>122,662</u>	<u>80,532</u>

engaged various professional service providers for major initiatives during the year. These science and analytics project, Project Management Office (PMO) and business analysis recruitment services for executives.

na Cedis spent on various consultants, and much more disclosed under other obscure headings, has set off a train of ors that have dragged on throughout 2023. How DBG even managed to get a clean audit report from KPMG puzzles some

12 million contract to an obscure Mauritius-domiciled company called, Kulana, to procure licenses for the Temenos Tranzact ss analytics add-on) core banking solution (in order to migrate DBG from the CBG's Temenos instance, on which it had riptions for Microsoft Dynamics 365; update licenses to an Oracle Database; acquire project management tools; and wire e banking solution together into a unified system through middleware design and execution.

1. Section IV: Financial Proposal - Standard Forms

Financial Proposal Submission (Form 4A)

Accra, 17th February 2023

Chief Executive Officer
Development Bank Ghana
8th Floor, Accra Financial Centre, Liberia Road,
Accra, Ghana

Dear Sir,
Reference is made to your Request for Proposal for the Supply of Licenses, Design, And Implementation of Core Banking Platform, ERP, Middleware, Project Management Tools, And Oracle Database.

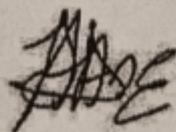
We, the undersigned, offer to provide consulting services for the Supply of Licenses, Design, And Implementation of Core Banking Platform, ERP, Middleware, Project Management Tools, And Oracle Database in accordance with your Request for Proposal dated 03rd January 2023, and our Proposal and Financial Proposals. Our attached Financial Proposal is for the sum of \$17,128,358/- (Seventeen Million One Hundred Twenty-Eight Thousand Three Hundred and Fifty-Eight US Dollars). This sum is inclusive of the local taxes and needs to be calculated separately.

Our Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations up to the expiration of the validity period of the Proposal, 90 days from the proposal date.

Commissions and gratuities, if any, paid or to be paid by us to agents relating to this Proposal and our award, if we are awarded the Contract, are listed below:

Name and Address of Agents	Amount and Currency	Purpose of Commission or Gratuity
----------------------------	---------------------	-----------------------------------

We understand you are not bound to accept any Proposal you receive. We remain, Yours



Jonathan Ane, CEO
Kulana Services Ltd
Suite 803, 8th Floor, Hennessy Tower
Pope Hennessy Street,
Port Louis, Mauritius

/ internal auditors to have been **59% higher than budgeted for**, and Kulana's advance payment guarantee only covered

B. Summary of Costs

DESCRIPTION:	
FINANCIAL PRICE PROR TO NEGOTIATION	\$15,658,101.00
OFFER TO DBG DURING NEGOTIATION	(\$ 469,743.00)
	\$15,188,358.00
4 YRS TEMENOS SOFTWARE LICENSES \$5,000 per year .5yr Licenses Plan by	\$1,940,000.00
TOTAL FINANCIAL OFFER	\$17,128,358.00

Summary of Costs

JA

Costs	Currency	Amount
Banking	USD	\$5,623,856.00*
	USD	\$3,098,081.00
Software Integration	USD	\$3,975,920.00
Management	USD	\$1,380,500.00
Database	USD	\$3,050,000.00
	USD	\$17,128,358.00

price is exclusive of any taxes or levies and must be calculated separately as per the country

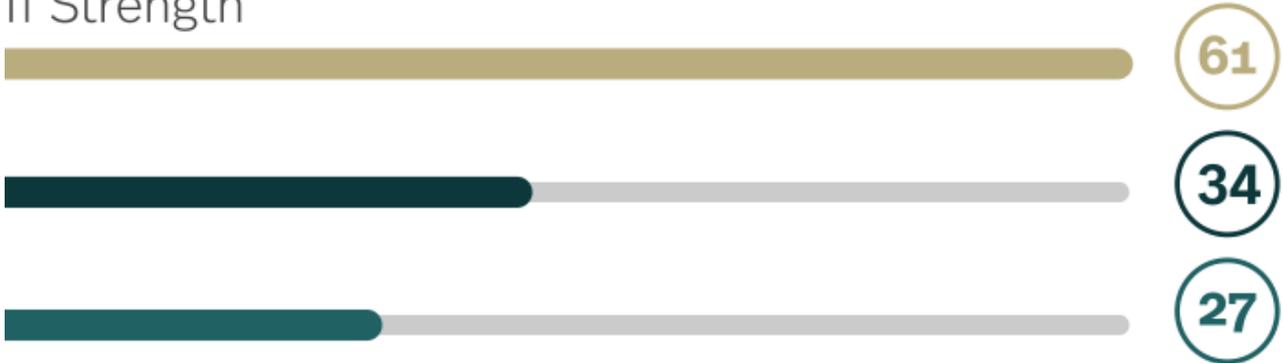
Banking cost includes a 5-year subscription cost for Temenos.

Implementation is a highly celebratory affair that banks trumpet with press releases. The deathly silence surrounding this

analysts, DBG insiders, and whistleblowers insist that the costs of the project have been so inflated and the process of who are barely known in a crowded Ghanaian and regional market of core banking and bank IT project integrators (not as ever used them), so opaque, even within DBG, that the enforced silence could only have been deliberate.

When he saw the \$3 million-plus price-tag of the Microsoft Dynamics 365 solution for a wholesale bank with just 61 staff strength, his essay has himself served on the boards of organisations with many multiples of that number in staff strength that have (with even more modules than indicated in the DBG specification) at a total cost of ownership of less than 10% of the amount

Staff Strength



4 million agreed as the cost for middleware integration when the vendors of Temenos have already provided an extensive set of services that should ensure seamless integration with Microsoft tools in the cloud and also, as in the case of DBG, for on-

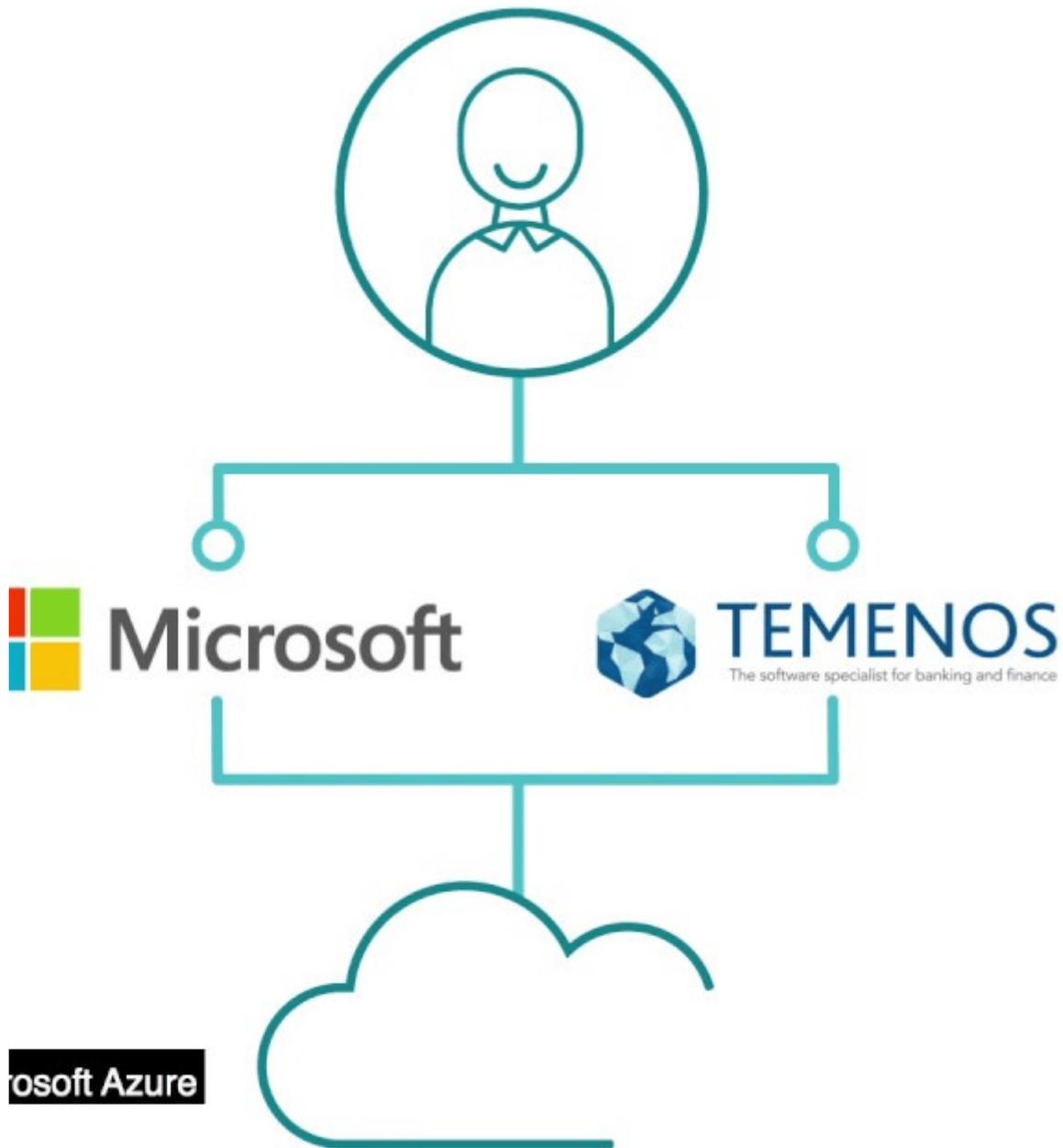


Image Source: Microsoft

Implementation, we used the Oracle open-list as our pricing guidance. We then carefully scoured LinkedIn to estimate the price of the enterprise edition and added all the relevant modcoms, including middleware elements. No matter how much we analyzed, we could not see how DBG could justify even a \$450,000 cost.

	Oracle Database			
	Named User Plus	Software Update License & Support	Processor License	Software Update License & Support
	350	77.00	17,500	3,850.00
	950	209.00	47,500	10,450.00
	460	101.20	-	-
	-	-	23,000	5,060.00
Edition	200	44	10,000	2,200.00
S:				
	350	77.00	17,500	3,850.00
	460	101.20	23,000	5,060.00
Node	200	44.00	10,000	2,200.00
	230	50.60	11,500	2,530.00
	230	50.60	11,500	2,530.00
	230	50.60	11,500	2,530.00
	230	50.60	11,500	2,530.00
	300	66.00	15,000	3,300.00
	230	50.60	11,500	2,530.00
	230	50.60	11,500	2,530.00
Database Cache	460	101.20	23,000	5,060.00
	460	101.20	23,000	5,060.00
agement				
	150	33.00	7,500	1,650.00
	100	22.00	5,000	1,100.00
ent Pack	240	52.80	12,000	2,640.00
Pack	230	50.60	11,500	2,530.00
Oracle Database	150	33.00	7,500	1,650.00

License Price	Software Update License & Support	Licensing Metric	Minimum
3,500	770.00	Per Stream	-

Named User Plus	Software Update License & Support	Processor License	Software Update License & Support
950	209.00	47,500	10,450.00

3 whistleblower claims that they offered to assist with introductions to their own integrator but that DBG rebuffed any offer. Even if they did not disclose the exact financial terms such cooperation would have entailed, they insisted that DBG should not pay for the work that was spent given that they had legacy infrastructure and systems that were being leveraged.

One wonders what KPMG made of the whole affair. A clue lies in the financial statements.

Assets less than \$80,000 owned by the bank disclosed in its intangible assets ledger on Page 42 of its audited financial statements include the purchases. The amount indicated is not even up to 2% of the advanced payment made to Kulana (~\$6.36 million) agreement, as stipulated in the May 29th 2023 agreement with DBG.

SSET

	2023 GH¢'000	2022 GH¢'000
ry	270	-
ember	<u>863</u>	<u>270</u>
ortisation	<u>1,133</u>	<u>270</u>
ry 2021	90	-
r	<u>210</u>	<u>90</u>
ember	<u>300</u>	<u>90</u>
at 31 December	<u>833</u>	<u>180</u>

timelines for deliverables stipulated in the contract (example: 6 months for ERP implementation) and the advanced Oracle, and Dynamics licenses, as also indicated in the contract, how exactly did KPMG accountants treat this multimillion

ave a company paying them nearly **100,000 Ghana Cedis a month** (the average fee per Director at CBG) if they did not icularly egregious? How could KPMG have missed such a red flag?

o the breach

ughout this piece, the internal auditors did not miss the evident risks posed by the management's spending habits.

g gymnastics as follows. DBG first debited ~148 million Ghana Cedis (~\$14 million) to the Assets Under s in Progress ledger. Then right after the financial year was over, in January 2024, its accountants placed the amount under oftware" category.

fact that the purchased licenses were for fully usable software, and that customisation and additional integration works did ustom software but mere enhancements to valuable product. Somehow, by doing things the way DBG did, external auditors to the software project that may have led to questions about procurement and due diligence on the contractors.

s whole arrangement is that the licenses have an expiry date, so the approach used impacted depreciation. More than half for instance, was due to expire in 2024 (about ~\$887,000 worth). The internal auditors thus questioned the 5-year in preparing the accounts. Questioning depreciation led to a finding of material misstatement of DBG's profit by a significant illion Ghana Cedis for the financial year.

as (and the effect on revenue estimation) also came up in respect of a 170.3 million Ghana Cedi contract to Linkcom to r equipment for the DBG datacenter and offices.

nts

payments reared its head. Another boutique consultancy, Asamoah & Williams Consulting (AWC), was advanced \$320,000 to onboard banks onto the DBG's on-lending program. It is absolutely unclear why anyone would need to pay a consultant anks (as four banks were already on board from the outset) to sign up for low-cost money in a highly competitive and h as Ghana.

s not to question the business judgement of management. That is for the 1.2 million GHS-a-year board directors. The : that AWC took the money in July 2023, promised to deliver the banks by the contract deadline of December 2023, yet as of hide of a bank had been seen in the onboarding corridor.

aim at the ~\$3.8 million contract given to Kulana for “Project Management Office” and “Business Analysis Support” in 2023, for which 35% was paid in advance; and, also, the \$1.075 million awarded to AWC in May 2023 to “manage” and is between DBG and its investors. Again, deliverables failed to manifest.

engagement, DBG’s only investors were the same that signed on at the very beginning, in 2020: the government of Ghana, and AWC. Still, by close of contract deadline of December 2023, AWC had failed to fully deliver on the contract even though it had rewarded AWC for this performance, the contract was extended in May 2024 at a higher price of \$1.89 million with \$472,000 to

highlighted the fact that the **stated capital** of both entities **was less than \$10,000** and that no due diligence report was available. Somehow, DBG management had missed the teeming ranks of well-connected and integrators in Ghana to find two highly undercapitalised, virtually unknown, contractors to bless with juicy, multimillion

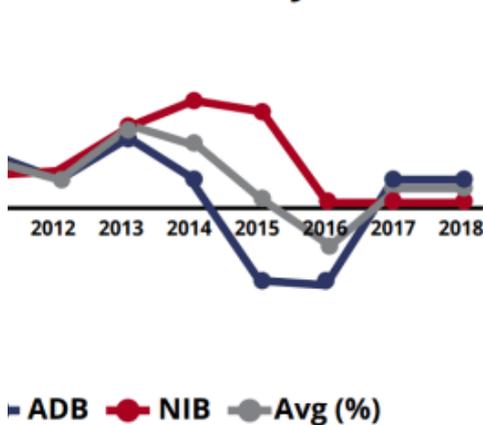
of the variations seen in the lofty technology and management consulting planes was the strange case of the interior decor for the new headoffice (floor five), a contract awarded to CPM Africa. The \$600,000 budgeted for fine drapery and furniture was said to have escalated to \$991,000, a 65% increase.

Other contracts were also said to have escalated by 70% above the approved budget.

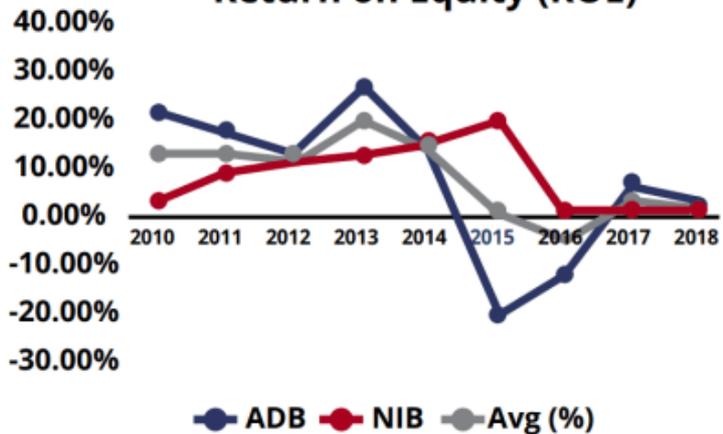
Some of the documents flowing from the internal bust up said, “they are blowing cash like water!” One wonders what EIB, which had disbursed any of its pledges, thinks of what it has been hearing.

Based on the reports and the transcripts of conversations with analysts, whistleblowers, and unhappy insiders, one cannot escape the feeling that the same path that took NIB and ADB, and some other development banks in Africa, into the abyss of chronic insolvency.

Share of Industry PBT



Return on Equity (ROE)



Source: ACET (2022)

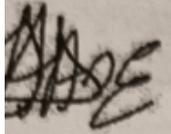
The World Bank did not take into account the historical corporate governance challenges in Ghana’s development bank landscape. It is clear that the evaluation was rather shallow against the background of Ghana’s political economy (check my premonition when

the elaborate architecture of independent directors, internal audit safeguards, and greenfield governance manuals hyped in the past, the Management had very little difficulty appending a supplementary agreement to a \$17.2 million dollar deal that even

the supplemental has schedules signed solely by the CEOs of Kulana and DBG. Curiously, they are unwitnessed.

CONSULTANT

CLIENT



Nathan A. Ane -CEO

May, 2023


Signature _____

K Duker (May 29, 2023 11:58 GMT)

Name/Title K. Duker, CEO

Date _____

lementary agreement, which has all the appearances of an “undercover” agreement differs in material respects from the

nt intellectual property terms, vesting as it does product enhancements developed by the consultants whilst engaged on the f DBG, in contradiction with the terms in the main agreement.

is an inconsistency between the provisions of this Agreement and the Schedules, the provisions in the main body of this Agreement shall prevail.

is an inconsistency between any of the provisions of the Consultancy Services Agreement with this agreement together with the Schedules, this agreement shall prevail.

on includes a natural person, corporate or unincorporated body (whether or not separate legal personality) [and that person's personal representatives, successors or permitted assigns].

Actual Property Rights

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ation of liability clause in the supplementary agreement is far more favourable to Kulana than the provisions in the main liability being capped at double the contract price, it is capped at par.

Termination of Contract for Failure to Become Effective: The time period shall be two months after contract is signed
Commencement of Services: The number of days shall be: ten (10) working days after the Effective Date Confirmation of Key Experts' availability to start the Assignment shall be submitted to the Client in writing as a written statement signed by each Key Expert.
Expiration of Contract: The time period shall be 20 months after Effective Date, or such later date as shall be agreed by the Parties.
<p>The following limitation of the Consultant's Liability towards the Client shall be subject to the Contract's negotiations:</p> <p>*Limitation of the Consultant's Liability towards the Client:</p> <p>(a) Except in the case of gross negligence or willful misconduct on the part of the Consultant or on the part of any person or a firm acting on behalf of the Consultant in carrying out the Services, the Consultant, with respect to damage caused by the Consultant to the Client's property, shall not be liable to the Client:</p> <ul style="list-style-type: none">(i) for any indirect or consequential loss or damage; and(ii) for any direct loss or damage that exceeds two times the total value of the Contract; <p>(b) This limitation of liability shall not</p> <ul style="list-style-type: none">(i) affect the Consultant's liability, if any, for damage to Third Parties caused by the Consultant or any person or firm acting on behalf of the Consultant in carrying out the Services;ii) be construed as providing the Consultant with any limitation or exclusion from liability which is prohibited by the Laws of Ghana.

Disclaimer of Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION 13, NEITHER CONSULTANT, ITS AFFILIATES NOR ITS LICENSORS MAKE ANY WARRANTY, REPRESENTATION, TERM, CONDITION OR AGREEMENT WITH RESPECT TO THE LICENSED MATERIALS, OR SERVICES AND THE LICENSED MATERIALS AND SERVICES ARE PROVIDED 'AS-IS'. CONSULTANT AND ITS LICENSORS EXPRESSLY DISCLAIM AND EXCLUDE TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ALL IMPLIED AND STATUTORY WARRANTIES INCLUDING WITHOUT LIMITATION ALL IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, SATISFACTORY QUALITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE OR TRADE PRACTICE). WITHOUT LIMITING THE FOREGOING, CONSULTANT MAKES NO WARRANTY OR REPRESENTATION OF ANY KIND THAT THE LICENSED MATERIALS, OR ANY OTHER CONSULTANTS' THIRD-PARTY GOODS, SERVICES, TECHNOLOGIES OR MATERIALS (INCLUDING BUT NOT LIMITED TO ANY SOFTWARE OR HARDWARE), OR ANY PRODUCTS OR RESULTS OF THE USE OF ANY OF THEM, WILL MEET CLIENT'S OR OTHER PERSONS' REQUIREMENTS, OPERATE WITHOUT INTERRUPTION, ACHIEVE ANY UNDESIRED RESULT, BE COMPATIBLE OR WORK WITH ANY OTHER GOODS, SERVICES, TECHNOLOGIES OR MATERIALS (INCLUDING BUT NOT LIMITED TO SOFTWARE, HARDWARE, SYSTEM OR NETWORK), OR BE SECURE, UPGRADEABLE, COMPLETE, FREE OF HARMFUL CODE OR ERROR FREE. ALL THIRD-PARTY MATERIALS ARE PROVIDED "AS IS" AND ANY REPRESENTATION OR WARRANTY OF OR CONCERNING ANY OF THEM IS STRICTLY BETWEEN CLIENT AND THE THIRD-PARTY OWNER OR DISTRIBUTOR OF SUCH THIRD-PARTY SOFTWARE OR MATERIALS.

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Professional Liability Cap. EXCEPT FOR (A) FEES PAYABLE BY CLIENT UNDER THIS CONTRACT, (B) DAMAGES ARISING OUT OF OR RELATING TO CLIENT'S BREACH OF THE TERMS OF THE SOFTWARE LICENSE OF THIS SUPPLEMENTARY AGREEMENT TO CONTRACT, OR (C) DATA PROTECTION LOSSES (WHICH ARE SUBJECT TO SECTION 15.2 BELOW) TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, THE CUMULATIVE, AGGREGATE LIABILITY OF EITHER CONSULTANT AND THEIR RESPECTIVE AFFILIATES FOR ALL CLAIMS OR OTHER LOSSES ARISING OUT OF OR RELATING TO THIS CONTRACT (INCLUDING ALL SCHEDULES AND STATEMENTS OF WORK) ARE LIMITED TO (i) IN THE CASE OF STANDARD SOFTWARE, THE AMOUNTS PAID OR PAYABLE BY CLIENT FOR THE STANDARD SOFTWARE GIVING RISE TO THE CLAIM, OR (ii) IN THE CASE OF A SERVICE INCLUDING ANY DELIVERABLE), THE TOTAL AMOUNT OF ALL FEES PAID TO CONSULTANT FOR THE SERVICE GIVING RISE TO THE CLAIM IN THE 12-MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO THE CLAIM.

ly were the risk functions in the organisation overridden, so also was general counsel.

in the public accountability governance system

ie conducted by the World Bank ahead of its approval of the \$250 million loan, there is, quite often, an overemphasis on how they interact with the goals in view. Even Ghanaian scholars tend to do the same when evaluating the political economy.

always an **underlying sprawl of informal realities** that truly drive governance outcomes. I call it the adhocracy. That all institutions cannot be tamed by governance of the formal layer alone.

ie conundrum is by ensuring that when approving any public project one infuses the governance mechanism with the political economy to provide checks on power.

ld have been an ongoing stakeholder engagement process that ensures availability of information to civil society activists "order-chaos" agents within the Ghanaian political economy space. Any reliance on the formal mechanisms alone, as is the World Bank, shall be steadily overridden by the sheer grinding force of the *informal power dynamic*.

that the formal internal audit system has done its work, the truth is also that it has been more than a year and half since this more than a year since two independent Directors resigned. The World Bank even committed to send observers to attend ring project design. And, yet, the murkiness, opacity, lack of frontal engagement with adverse audit findings, the cost and disgruntlement continues unabated. The culture of DBG is being eroded from within and the organisation is being set to

its of some SME beneficiaries of the funds disbursed by DBG getting the money at rates no different from the prevailing that completely invalidates DBG's mandate.

al audit function had been complemented with informal civil society watchdog mechanisms, the large amounts of public the risks reportedly surfacing.

of governance

olders in Ghana are rarely unalloyed supporters of the sound governance agenda. Many years after the shutdown of BHC, s, a former Finance Minister insisted that the World Bank was being deceitful then when it counselled closure ("resolution") never supported the move. Decades after the fact. And clear evidence of the level of trust between the likes of the World cal actors.

was wholly rotten. Its own staff had colluded with a borrower to scheme a massive cheque fraud that thoroughly depleted only were lessons not learnt, as other Ghanaian DFIs like NIB and ADB continue to totter, it would seem that there has nent among political actors and external funders all along.

Act that is meant to serve as guardrails for DBG and other DFIs, the concept seems to be that, somehow, private o build development banks rather than commercial banks, and that they would be happy committing more than double the establishing commercial banks. All this for the privilege of being able to lend at lower interest rates over long-term horizons ment. Seriously, how can this be serious policy logic?

ntability

n is that development banks are nothing more than public interest organisations. They cannot be neoliberalised into very likely continue to be backed primarily by public actors. Their governance setup should acknowledge this and make of intrusive public accountability that all public institutions require.

hen I saw that in the Kulana – DBG contract, DBG referred to itself as a **private** limited liability company. How does any ivate entity when the government is a 100% shareholder?

t is holy, did the Public Procurement Authority reportedly approve the use of a commercial procurement process for DBG, for e impugned procurement activities were not subjected to **public procurement** laws? Readers familiar with the public policy ow that Civil Society activists have sued the state-owned electricity utility and a big commercial bank over very similar

too, large amounts of World Bank money is involved. Which is why I have been on the World Bank's case for a while now. DFI that gets into these knots, as my recent tussle with IFAD demonstrates.

When you look closely: powerful institutions – such as the World Bank, state-owned enterprises, government agencies, good game about governance, until rubber meets the road.

Each all the named entities respond to this essay would be a good gauge as to how seriously we should take the whole “strict ges” made at the onset of DBG's operations.
