



One Hundred Nineteenth Congress
U.S. House of Representatives
Committee on Foreign Affairs
2170 Rayburn House Office Building
Washington, DC 20515

April 10th, 2025

The Honorable Scott Bessent
Secretary of the Treasury
U.S. Department of the Treasury

Dear Secretary Bessent,

This letter provides an update on concerning recent developments regarding payments owed to Independent Power Producers (IPPs) in Ghana and the Government of Ghana's failure to uphold its commitments to IPPs under the terms of its most recent International Monetary Fund (IMF) program. Among these IPPs are two power generation facilities owned by U.S. pension funds and the U.S. taxpayer.

An American investor recently noted that the Electricity Company of Ghana (ECG) processed two payments each to Twin City (TCE) and Early Power Ltd. (EPL) in Ghana Cedis. While these payments, estimated at approximately \$5.5 million each, are a significant improvement compared to previous periods they remain below the anticipated \$7.5 million due to each entity.

On Wednesday January 29th, President John Mahama's advisory team outlined his current administration's economic priorities to investors. These include rebuilding the nation's creditworthiness, building up reserves, potentially ring-fencing certain funds, and refinancing facilities to improve the government's repayment profile. They expressed a strong focus on the power sector and highlighted efforts to rebuild the cash waterfall mechanism, taking credit for its original design. While they mentioned actively working to smooth out repayments and possibly moving certain debts to external facilities for greater confidence, they did not specifically commit to applying this approach to the power sector debt.

President Mahama does not appear to be listening to his advisors as proposed solutions - like ring-fencing - remain mere talking points. Additionally, the acknowledged scarcity of government funds suggests that the focus on rebuilding reserves might impede the simultaneous clearing of existing arrears owed to IPPs.

The IMF program, which was designed to stabilize Ghana's economy and restore fiscal discipline, included explicit commitments to honoring financial obligations to these providers. I understand that the next IMF field report will be completed in April, following an expected in-country mission during the coming days and in preparation for potential IMF Board action in June.

Given this context and recalling House Foreign Affairs GOP engagement from the 118th Congress, which advocated for conditioning the December 2023 IMF tranche on the resolution of IPP arrears, I now recommend that the United States Executive Director to the IMF, once appointed and confirmed, formally request that a specific portion of the next IMF disbursement to Ghana be explicitly directed towards settling outstanding payments owed to the IPPs.

I believe such a measure is essential to keeping American investors interested in Ghana, addressing the ongoing financial strain on IPPs and ensuring the stability of Ghana's power sector.

Sincerely,



Brian Mast

Chairman

House Foreign Affairs Committee

CC: The Honorable Marco Rubio, Secretary of State