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REJOINDER

ACCRA; OCTOBER 23, 2025;

JAPP SETS THE RECORDS STRAIGHT ON THE DISTRICT ROADS IMPROVEMENT PROGRAMME (DRIP)

The Management of J.A. Plant Pool (Ghana) Limited ("JAPP") has noted, with deep concern the recent public disclosure made by the Honourable Attorney-General and Minister for Justice, Hon. Dominic Ayine, on the District Roads Improvement Programme (DRIP) and certain allegations purportedly involving our company.

While JAPP remains fully respectful of the constitutional mandate of the Attorney-General, the company finds the said disclosure unfortunate, as it presents a partial narrative of the issues, and risks tarnishing the company's hard-earned reputation built over years of diligent service to the Government and people of Ghana.

These assertions are not accurate as per the contract terms, and JAPP wishes to clarify the issues as follows:

1. Statement by AG: *"In respect of the DRIP Programme, I have demanded a refund of Two Million United States Dollars (USD 2,000,000.00) from J.A. Plant Pool after investigations revealed financial irregularities in the District Roads Improvement Programme. Although the contract sum was USD 176 million, records showed that a total of USD 178 million was paid, resulting in an excess of USD 2 million."*

Response by JAPP on Alleged Overpayment of USD 2 Million:
On the above, by a contract dated and executed on 12th February 2024, the Purchaser (Government of Ghana) agreed with the Supplier (JAPP) to acquire earth-moving equipment to be distributed amongst all District Assemblies in Ghana.

The 2,420 units equipment, which formed the subject matter of the contract, was fully itemised together with their individual prices in Schedule 1 of the agreement. The total contract price was stated as USD 178,704,739.50, consistent with Clause 3.1.1 of the contract, which expressly provides that "this amount represents the full contract price for the supply of the equipment by the Supplier."

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The Public Procurement Authority's approval document stated the amount of USD 178,704,739.50 which was consistent with the same USD 178,704,739.50 clearly stated in the contract.

It is therefore factually incorrect to assert that the contract sum was USD 176 million. The official contract amount, duly executed by all Parties, remains USD 178,704,739.50.

A clerical mistake in the PPA's approval letter, particularly relating to the pricing of the wheel loader line item gave the appearance of discrepancy. The Supplier, JAPP, promptly notified the approving authorities upon discovery of the error, for the same to be corrected.

Accordingly, any perceived excess of USD 2 million did not arise from an overpayment to JAPP, but from a clerical mistake and JAPP cannot be held liable for errors originating from approving authorities, especially where all approvals and payments were sanctioned through lawful governmental channels.

It must therefore be clearly stated that the total contract sum is USD 178,704,739.50 and not USD 176 million as stated by the Attorney-General and that no overpayment occurred.

Government, being a continuum, bears the responsibility to rectify clerical errors appearing in its own documents and to regularise the record in accordance with the executed contract.

2. Statement by AG: *"Investigations uncovered tax evasion totaling GHS 38.7 million after 190 pieces of equipment were imported and cleared under false tax exemption claims."*

Response by JAPP On the Alleged Tax Evasion of GHS 38.7 Million:
The claim that JAPP imported and cleared 190 pieces of equipment under false tax exemption claims is equally incorrect.

Our records, supported by verifiable documentation, confirm that only ninety-nine (99) extra equipment components were imported beyond the contractual 2,420 units. These items were largely semi-knocked-down (SKD) components of low-bed trailers and service equipment necessary for the maintenance and after-sales support of the DRIP machinery. It is pertinent to note that the additional equipment in question was imported by JAPP together with the contracted equipment exclusively to support and maintain the operational efficiency of the DRIP Project, and not for JAPP's separate commercial gain or trading purposes.

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Additionally, all the said equipment were declared to the Ghana Revenue Authority (GRA) and placed under the bonded warehouse. It is evident that there is no case of tax evasion.

3. Statement by AG: *"An audit further detected significant over-invoicing of equipment under the DRIP Contract, with mark-ups ranging between 100% and 300%."*

Response by JAPP on Alleged Over-Invoicing and Profit Margin:
The statement that audit investigations revealed "over-invoicing" with "mark-ups of 100–300%" is inaccurate.

The contract prices reflected competitive market values determined after due procurement processes and negotiations were conducted.
The ministry of local government previously procured 60 similar equipment for the MMDAs at 27.795 million Euros (32,242,200 US dollars) from a foreign company.

By comparison, the 2,420 DRIP equipment procured under this contract would have costed the government 1.3 billion dollars. The 178 million US dollars contractually agreed and paid for the 2,420 DRIP equipment was therefore very reasonably priced and it saved large sums of money for the government.

Thus, the notion of "over-invoicing" or high markups is inaccurate as the contract figures were vetted and sanctioned by the relevant government institutions and far lower than similar equipment previously procured.

VALUE FOR MONEY ANALYSIS OF THE DRIP PROJECT
The DRIP contract with JAPP delivers exceptional socio-economic and technical value to Ghana. To mention but a few:

- It has created over 11,000 direct jobs, primarily benefitting youth and local artisans, thereby reducing unemployment and stimulating local economies.
- More than 4,000 Ghanaian mechanics have been professionally trained and certified, ensuring local expertise, self-reliance, and sustainability in equipment maintenance and operations.
- All supplied equipment is backed by a 2-year manufacturer's warranty, guaranteeing zero abandonment or post-delivery breakdown losses, which were common in previous equipment procurements by government.
- A nationwide maintenance support system has been established, with mobile units operational in all 16 regions, providing real-time monitoring and on-site emergency support to district assemblies.

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- Satellite service vans in zonal districts ensure grassroots-level access to maintenance, ensuring that no rural district is excluded from after-sales support.
- A strategic partnership with Technical Universities has been formalised to create a long-term domestic talent pipeline, strengthening local capacity and ensuring continuous technology transfer. This ensures the capacity of the country to fully assemble the equipment locally.
- All equipment has been custom engineered to suit Ghana’s road terrain, humidity, and operational conditions, ensuring optimal performance and durability compared to unsuitable generic imports used in the past.

Appreciation and continued commitment to Ghana's development.
J.A. Plant Pool (JAPP), a wholly Ghanaian-owned limited liability company, has through the District Road Improvement Program (DRIP), demonstrated remarkable leadership in advancing national development, job creation, and technical capacity building.

Under the DRIP Programme, JAPP directly and indirectly facilitated the creation of over 11,000 jobs nationwide, including the training of more than 4,000 Ghanaian mechanics and technical personnel to operate and maintain the supplied equipment. Each unit of equipment was delivered with a two-year supplier-backed warranty, ensuring continuous maintenance, operational reliability, and value protection for the Government of Ghana.

As part of its long-term commitment to equipment sustainability, JAPP established mobile maintenance units in all sixteen (16) regions and deployed satellite maintenance vans across zonal districts to provide timely on-site servicing and repairs. In addition, several Ghanaian technicians were sent to China for advanced technical training to strengthen local capacity for after-sales support and long-term project sustainability.

These interventions have had a transformational socio-economic impact, enhancing local expertise, creating employment, and retaining technical value within the Ghanaian economy. JAPP remains committed to implementing a project of such national importance, and operating as a responsible corporate entity that upholds the laws of the Republic and contributes meaningfully to Ghana’s development agenda.

JAPP expresses its profound gratitude to the Government and People of Ghana for their unwavering support and confidence in an indigenous Ghanaian company, whose services continue to contribute to national development.

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