

MEMORANDUM OF UNDERSTANDING

BY AND BETWEEN

1. THE MILLENNIUM DEVELOPMENT AUTHORITY

AND

2. THE VOLTA RIVER AUTHORITY

AND

3. THE VOLTA LAKE TRANSPORT COMPANY LIMITED

FOR

**IMPLEMENTATION OF THE FERRY ACTIVITY OF THE
TRANSPORTATION PROJECT UNDER THE MCA GHANA
PROGRAMME**

DATED: 24TH DECEMBER, 2007

MEMORANDUM OF UNDERSTANDING

BETWEEN

1. THE MILLENNIUM DEVELOPMENT AUTHORITY

AND

2. THE VOLTA RIVER AUTHORITY, GHANA,

AND

3. THE VOLTA LAKE TRANSPORT COMPANY, GHANA

FOR

**THE IMPLEMENTATION OF THE FERRY ACTIVITY OF THE TRANSPORTATION
PROJECT OF THE MILLENNIUM CHALLENGE ACCOUNT PROGRAMME**

This Memorandum of Understanding (“**MOU**”) dated the 24th day of December, 2007 is made between the **Millennium Development Authority**, a public entity organized under Ghanaian law (hereinafter referred to as the “**MiDA**”), represented by the Chief Executive Officer of the first part, the **Volta River Authority** (hereinafter referred to as the “**VRA**”) represented by the Chief Executive of the second part and the Volta Lake Transport Company Limited, a subsidiary of VRA (hereinafter referred to as “**VLTC**”), represented by its Chief Executive of the third part, altogether are hereinafter referred to as the “**Parties**”.

WHEREAS:

- A. The VRA is the Government’s Agency responsible for the development and maintenance of transport infrastructure and the improvement of transport safety on the Volta Lake.
- B. The VLTC is the subsidiary of VRA with responsibility for managing and maintaining transport infrastructure and transport safety on the Volta Lake.
- C. The United States of America, acting through the Millennium Challenge Corporation (“**MCC**”), and the Government of the Republic of Ghana (the “**Government**”) executed the Millennium Challenge Compact on August 1, 2006 (the “**Compact**”) that sets forth the general terms and conditions on which MCC will provide funding of up to US\$547,009,000 (“**MCC Funding**”) to the Government for a Millennium Challenge Account program to reduce poverty through economic growth in Ghana.
- D. The Government, pursuant to (a) Section 3.2 of the Compact and (b) that certain Governance Agreement dated February 16, 2007 among MCC, the Government acting through the Ministry of Public Sector Reform, and MiDA, has designated MiDA to assume and carry out certain governmental rights, responsibilities and duties under the Compact, including the execution, delivery and performance of this MOU, pursuant to

which MiDA intends to support and complement VRA's infrastructure development efforts on the Volta Lake through the Ferry Activity of the Transportation Project under the terms and conditions of the Compact.

- E. VRA is an agency of the Government that has the expertise relevant to, and is suited to assist with the Ferry Activity (the “**Activity**”) of the Transportation Project (the “**Project**”) as set forth in Section 2(c) of Schedule 2 of Annex I of the Compact, the implementation and administration of which is more particularly described in the Implementation Documents for the Project (together with all related implementation plans and any components thereof, as amended, modified or updated from time to time, the (“**Project Implementation Documents**”).

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth herein, the Parties hereby agree as follows:

1. PURPOSE OF MOU

This MOU sets forth the understanding between **MiDA and VRA** with respect to their respective roles and responsibilities in the implementation of the Ferry Activity of the Transportation Project of the MCA Programme.

2. THE FERRY ACTIVITY OF THE TRANSPORTATION PROJECT

1. The Ferry Activity of the Transportation Project comprises the following:

- Construction of Modern Ferry Terminal Facilities at Adawso and Ekye Amanfrom.
- Construction of 2 No. Ro-Ro Ferries.
- Rehabilitation of VLTC's Floating Dock at Akosombo.
- Rehabilitation of Landing Facilities at Adawso and Ekye Amanfrom.
- Removal of Tree Stumps in the Adawso–Ekye Amanfrom Ferry Crossing route.

2. The immediate objectives of the Ferry Activity are to:

- Provide safe and efficient operations of the Adawso to Ekye Amanfrom VLTC Ferry Services;
- Provide Environmentally acceptable Ferry Services;
- Ensure the Financial Sustainability of the Ferry operations; inclusive of the need for future financing and capacity expansion;
- Meet Traffic demands in the Medium-term.

3. It has been considered that the implementation of the Ferry Activity under the MCA Programme in collaboration with VRA and with the involvement of VLTC, during the implementation of the Ferry Activity of the Transportation Project, will assist in sustaining the maintenance and continued management of the investment into the Ferry Activity and thereby enable the realization of the objectives of the Transportation Project.

3. SCOPE OF FERRY ACTIVITY

The Ferry Activity shall consist of the following:

i. **Vessel Construction and Marine Works**

- Construction of two double-ended vehicle/pedestrian Ferries with hydraulic liftable propellers.
- Rehabilitation of the Akosombo Floating Dock to enhance VLTC's construction, repair and maintenance capabilities. The Dock will also be available to service other Ferries apart from those owned by VLTC.

ii. **Civil Works**

- Civil Works at the Landing Stages at Adawso and Ekwe Amanfrom to increase Ferry and Vehicle handling capacities of the existing Landing Stages.
- Construction, rehabilitation, or extension of Ferry Terminals at Adawso and Ekwe Amanfrom, including all-weather protection and adequate sanitation facilities to accommodate additional Ferry and passenger traffic.
- Extraction of tree stumps from the crossing route between Adawso and Ekwe Amanfrom to eliminate navigational and safety hazards during periods of low tide. Funding for the extraction of the tree stumps will be dependent on the concession given to Clark Sustainable Resource Developments Limited by VRA.

4. ROLES AND RESPONSIBILITIES OF VRA AND VLTC

- i. The VRA, through its subsidiary the VLTC, shall reach agreement on the design standards to be used for the Ferry Activity, as may be proposed by the consultant hired by MiDA to carry out the Feasibility Study, the Environmental Impact Assessment ("EIA") (evolving from the Strategic Environmental Assessment ("SEA")), Final Engineering and Design in accordance with the provisions of the Compact;
- ii. VRA shall mandate VLTC to act on her behalf on technical matters within this MOU, through a letter to MiDA;
- iii. VLTC shall review sections of Terms of Reference, and Request for Proposal documents for Consultancy Services and make comments appropriately before such documents are sent for approval to MCC;
- iv. VLTC shall issue their concurrence to the final designs and construction bidding documents for the Ferry Activity, provided that these documents have been prepared in accordance with the agreed design standards, or where the final designs cannot comply with VLTC's requirements, VLTC, with the approval of VRA, shall issue its "no objections" to such deviations;
- v. VLTC shall be requested to participate in the MiDA's procurement processes as a member of Evaluation Panels as or as Technical Advisor to Evaluation Panels;
- vi. VRA, through VLTC, shall advise, make recommendations on other matters concerning the Ferry Activity in a reasonable time to avoid delays or disruptions to the execution of

the Works;

- vii. VRA, through VLTC, shall be supportive of and responsive to MiDA for the implementation of the Ferry Activity of the Ghana MCA Programme and hereby commits their good selves to ensuring effective consultation with MiDA on all significant matters relating to the Ferry Activity;
- viii. Upon request from MiDA, VRA and VLTC shall give access to the specific Activity sites and cooperate with MiDA-hired Consultants carrying out Feasibility Studies, Engineering Designs and Construction Supervision under the Ferry Activity. Other MiDA Representatives, e.g., MCC and MiDA Officials, Inspectors and Auditors shall also be accorded the same privileges under the Ferry Activity;
- ix. Upon request from MiDA, VRA shall ensure that VLTC grants MiDA's Contractor undertaking tasks under the Ferry Activity of the Compact, right of access to and temporary responsibility for the areas within the time(s) stated in the Construction Contracts to be entered into between MiDA and Contractors for the execution of the Ferry Activity (the "Works").
- x. VRA and VLTC shall not be entitled to, and shall not receive, any payment of fees or reimbursement of expenses for performing its responsibilities under this MOU.

5. SPECIFIC RESPONSIBILITIES OF VLTC UNDER THE FERRY ACTIVITY

a. Rehabilitation of the Floating Dock

1. VLTC shall support MiDA and the Consultant to identify the economically viable rehabilitation needs of the Floating Dock to enable the construction of Ferries of maximum length of 60m.
2. VLTC shall assist the MiDA-hired Consultant in the identification and prioritization of defects that need to be remedied with Compact Funding upon completion of the rehabilitation of the Floating Dock.
3. VLTC shall support the Contractor carrying out the Rehabilitation to rectify all the structural defects of the Floating Dock.
4. In consultation with MiDA's Consultant, VLTC shall develop a Maintenance Plan for the Rehabilitated Floating Dock.
5. In consultation with MiDA, VLTC shall develop a Strategy for the sustainable operations of the Floating Dock.
6. VLTC shall make available Staff to undergo on-the-job training and acquire the requisite skills to manage and maintain the Rehabilitated Floating Dock.

b. Construction of the Ro-Ro Ferries

1. VLTC shall provide the General Specifications for the construction of the Ro-Ro Ferries.

2. VLTC, in consultation with MiDA, shall review the designs of the Ro-Ro Ferry and appropriately advise MiDA.
3. VLTC, in consultation with the Works Inspector to be appointed by the Ghana Maritime Authority, shall ensure that the construction of the Ferries is in accordance with the approved designs.
4. VLTC shall take-over possession of the Ro-Ro Ferries after construction and will lead in the preparation of the Deficiency List during the Defects Liability Period
5. VLTC shall make available Staff to receive on-the-job training during the construction of the Ferries.

(c) Rehabilitation of Landing Facilities at Adawso and Ekye Amanfrom

1. VRA shall assist MiDA in the rehabilitation of the Landing Facilities at Adawso and Ekye Amanfrom.
2. VRA shall, upon request from MiDA, give access to the MiDA's Consultants and Contractors who are developing the Landing Stages and the Terminal Facilities at Adawso and Ekye Amanfrom.
3. VRA shall provide the General Technical Specification and assist MiDA during the design and construction phases.
4. VRA shall assist MiDA in the preparation of the Maintenance Plan for the Rehabilitated Landing Facilities.

(d) Monitoring and Evaluation

VLTC shall, as part of its specific responsibilities under this MOU, make available to MiDA, or its agents, on a quarterly basis, starting from Year 4 of the Compact, the following information:

- Travel Time for Walk-on Passenger and Small Vehicles
- Travel Time for Trucks to cross the Volta Lake at Adawso and Ekye Amanfrom
- Average Daily Passenger Traffic.

VLTC, with the guidance of MiDA's Monitoring and Evaluation Directorate, shall design appropriate data collection protocols or questionnaires required to capture data on the afore-mentioned indicators.

6. OTHER RESPONSIBILITIES

- a. VLTC shall assist MiDA's Consultant in the preparation of the EIA, Environmental Management Plan ("EMP") and the acquisition of Environmental Permit for all Civil Works and Construction.

- b. VLTC and VRA shall cooperate and assist the MiDA-hired Consultant undertaking the SEA and, if necessary, assist in the preparation of any Resettlement Action Plan (“RAP”).
- c. VLTC shall nominate and assign personnel to be trained in operating the Vessels and associated equipment by the Contractor constructing the Ferries.
- d. VLTC in collaboration with the Consultant ensure that Maintenance and Workshop Manuals for the Ferries are prepared by the Contractor.
- e. VRA shall work with MiDA’s Consultant and Contractor in the construction of the Terminal Facilities at Adawso and Ekye Amanfrom.
- f. VRA shall assist MiDA in the extraction of the tree stumps at the Adawso-Ekye Amanfrom Ferry Crossing, to the extent this portion of the Activity is funded using MCC Funding.
- g. VRA and VLTC shall comply with (i) the MCC Environmental Guidelines (<http://www.mcc.gov/environmental>) and any relevant EMPs, and (ii) the Environmental Protection Agency Act 1994 (Act 490).
- h. VRA and VLTC shall perform their roles and responsibilities under this MOU in a timely and cost-effective manner, with the highest standard of care, diligence and efficiency, and in compliance with professionally sound administrative, technical, financial and management practices required for the successful provision of support and services under this MOU.

7. ROLES AND RESPONSIBILITIES OF MiDA

- i. MiDA shall, promptly after the execution of this MOU, (a) deliver to the Parties, true and correct copies of the Principal Compact Agreements and any relevant Project Implementation Documents, (b) timely provide any additional information and documentation that the Parties may reasonably request from time to time that is reasonably necessary to enable the Parties to perform their Roles and Responsibilities.
- ii. MiDA shall not provide additional funding for any improvements that VRA or VLTC may propose that are over and above the work envisaged for the Ferry Activity.
- iii. Upon a request from MiDA, VRA or VLTC shall give MiDA’s Contractors executing projects under the Ferry Activity (the “Contractors”) right of access to and temporary responsibility for the part of the Activity within the time (or times) stated in the Construction Contracts to be entered into between MiDA and Contractors for the execution of the Ferry Activity Works (the “Works”).
- iv. MiDA shall be responsible for the management of the funds for the Ferry Activity and the implementation of the Works.
- v. MiDA shall be responsible for the preparation and negotiation of all Contract Agreements and shall be signatory to all such Contracts.

- vi. MiDA shall involve VRA and VLTC in all stakeholder activities during the implementation of the Ferry Activity of the Transportation Project of the Programme.
- vii. Following the satisfactory completion of the Works by the Contractors in accordance with the standards and technical specifications as agreed in the Compact and other Project Implementation Documents, MiDA shall thereafter handover the responsibility of the completed Works to VRA and VLTC for maintenance.
- viii. Upon handing over of such sub-Activity, the responsibility for maintenance shall be that of VLTC and VRA.
- vii. The Parties shall cooperate with each other on all other matters necessary for the successful implementation of the Ferry Activity of the Transportation Project.

8. MODIFICATION

This MOU may be amended or modified only by written agreement, signed by the Principal Representatives of MiDA, VRA and VLTC, and approved in writing by MCC, notwithstanding any law, regulation, or decree that purports to amend or modify any term or condition thereof. The Parties agree that this MOU shall not be amended or modified to result in a flow of funds from MiDA to VRA or VLTC; the Parties may conclude an implementing entity agreement approved in writing by MCC for this purpose which, among other things, includes certain provisions applicable to persons receiving (directly or indirectly) MCC Funding.

9. NOTICES

Any notices required to be served or issued under this MOU shall be in writing and shall be sufficiently served if delivered by hand or sent by registered mail, facsimile or e-mail to the respective Parties as follows:

**THE CHIEF EXECUTIVE
VOLTA RIVER AUTHORITY
P. O. BOX M. 77
ACCRA**

**TEL: (233-21) 666 037
FAX: (233-21) 664 705
E-MAIL: chiefx@vra.com**

**THE CHIEF EXECUTIVE OFFICER
MILLENNIUM DEVELOPMENT AUTHORITY
PMB 56 STADIUM POST OFFICE
ACCRA, GHANA**

**TEL: (233-21) 666 619
FAX: (233-21) 666 669
E-MAIL: mesonbenjamin@mida.gov.gh**

10. EFFECTIVE DATE AND VALIDITY OF MOU

This MOU shall enter into force on the date of signature and shall remain valid throughout the Project Implementation Period until the Activity is finally completed and handed over to VRA and VLTC.

Provided always and it is hereby mutually agreed by the Parties that they shall abide by the provisions of the Compact and the Millennium Development Authority Act (ACT 702 and 709 Amended) of 2006, which spells out among others, the specific responsibilities of the MiDA.

This MOU shall be governed by and construed in accordance with the laws of Ghana.

IN WITNESS whereof the Parties each acting through its duly authorized Representative, have caused this MOU to be executed in their names and delivered as of the date first written above.

SIGNATURE PAGE BEGINS ON THE NEXT PAGE

VOLTA RIVER AUTHORITY:

By: [Signature]

Name: JOSHUA OSEME

Title: Chief Executive

MILLENNIUM DEVPT. AUTHORITY :

By: [Signature]

Name: MARTIN ESON-BENJAMIN

Title: The Chief Executive Officer

In the presence of:

[Signature]
Signature

Name: Raymond J. Lartey

Title: Ap. Director

In the presence of:

[Signature]
Signature

Name: Matthew Arnold

Title: Chief Operating Officer

VOLTA LAKE TRANSPORT COMPANY LTD.:

By: [Signature]

Name: K. OSEI SAFFOR

Title: MANAGING DIRECTOR

In the presence of:

[Signature]
Signature

Name: DR. YORIK ABAYO

Designation: TECHNICAL DIRECTOR