

**MEMORANDUM OF UNDERSTANDING**

**BY AND BETWEEN**

**THE MILLENNIUM DEVELOPMENT AUTHORITY**

**AND**

**THE MINISTRY OF HARBOURS AND RAILWAYS**

**FOR**

**TECHNICAL OVERSIGHT OF THE FERRY ACTIVITY OF THE  
TRANSPORTATION PROJECT UNDER THE MCA GHANA  
PROGRAMME**

**DATED: 24<sup>TH</sup> DECEMBER, 2007**

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**  
**THE MILLENNIUM DEVELOPMENT AUTHORITY, GHANA**  
**AND**  
**THE MINISTRY OF HARBOURS AND RAILWAYS**  
**FOR**  
**THE TECHNICAL OVERSIGHT OF THE FERRY ACTIVITY OF THE**  
**TRANSPORTATION PROJECT UNDER THE MILLENNIUM CHALLENGE**  
**ACCOUNT PROGRAMME**

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This Memorandum of Understanding (“**MOU**”) dated the 24<sup>th</sup> day of December, 2007 is made between the **Millennium Development Authority**, a public entity organized under Ghanaian law (hereinafter referred to as “**MiDA**”), represented by the Chief Executive Officer on one hand and the **Ministry of Harbours and Railways** (hereinafter referred to as the “**MHR**”) represented by the Minister, both of whom are hereinafter referred to as the “**Parties**”.

**WHEREAS:**

- A. The MHR is the Government’s Ministry responsible for the formulation of policies and setting of technical standards and specifications through the Ghana Maritime Authority (“**GMA**”) for the development and maintenance of Maritime infrastructure, improvement of Maritime safety and improved transport sector generally.
- B. 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..
- C. 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 MHR’s infrastructure development efforts on the Volta Lake through the Ferry Activity (the “**Activity**”) of the Transportation Project (the “**Project**”) under the terms and conditions of the Compact.
- D. MHR is an agency of the Government that has the expertise relevant to, and is suited to



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** the parties hereby agree as follows:

## **1. PURPOSE OF MOU**

This MOU sets forth the understanding between **MiDA and MHR** with respect to the respective roles and responsibilities relating to 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 Component of the Transportation Project comprises the following;

- Construction of Modern Terminal Facilities at Adawso and Ekye Amanfrom.
- Construction of 2No. Ro-Ro Ferries.
- Rehabilitation of Volta Lake Transport Company’s (“**VLTC**”) Floating Dock at Akosombo.
- Rehabilitation of Landing Facilities at Adawso and Ekye Amanfrom.
- Removal of Tree Stumps at the Adawso – Ekye Amanfrom Ferry Crossing.

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 MHR and with the involvement of the 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 COMPONENT**

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 than those owned by VLTC.

ii. **Civil Works**

- Civil works at the Landing Stages at Adawso and Ekye Amanfrom to increase the Ferry and Vehicle handling capacities at the existing Landing Stages.
- Construction, rehabilitation or extension of Ferry Terminals at Adawso and Ekye 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 Ekye 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 Volta River Authority (“VRA”).

**4. ROLES AND RESPONSIBILITIES OF MHR AND GHANA MARITIME AUTHORITY**

- i. MHR, through its subsidiary agency, namely the Ghana Maritime Authority (“GMA”), who are responsible for drawing up Regulations and setting Standards for the operation of Maritime Transport, shall reach agreement on the design standards to be used for the Construction of the Ferries, 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. MHR shall mandate GMA to act on her behalf on technical matters within this MOU through a letter to MiDA;
- iii. GMA 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 MCC’s approval.
- iv. GMA shall issue their concurrence to the Final Designs and Construction Bidding Documents for the Construction of the Ferries, provided that these documents have been prepared in accordance with the agreed design standards, or where the Final Designs cannot comply with GMA’s Standards, GMA, with the approval of MHR, shall issue its no objections to such deviations;
- v. GMA shall be requested to support MiDA’s procurement processes by taking up membership of Evaluation Panels or as Technical Advisor to Evaluation Panels;
- vi. MHR and GMA shall advise and make recommendations on other matters concerning the Ferry Activity in reasonable time to avoid delays or disruptions to the execution of the Works;
- vii. GMA shall appoint a Maritime Surveyor to ensure that the Contractor for the Construction of the Ferries adheres to the approved Design Drawings;
- viii. GMA shall be responsible for the registration of the new Ferries in line with Safety of Life at Sea (“SOLAS”) Standards as approved by International Maritime Organisation (“IMO”).

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- ix. MHR, through GMA, shall be supportive of and responsive to MiDA for the MCA Programme and hereby commit their good selves to ensuring effective consultation with MiDA on all significant matters relating to the implementation of the Ferry Activity.
- x. Upon a request from MiDA, MHR shall ensure that GMA 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").
- xi. MHR and GMA 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. OTHER RESPONSIBILITIES

- a. MHR and GMA 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).
- b. MHR and GMA 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.

## 6. 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 be responsible for the management of the funds for the Ferry Activity and the implementation of the Works.
- iii. MiDA shall be responsible for the preparation and negotiation of all Contract Agreements and shall be signatory to all such Contracts.
- iv. MiDA shall involve MHR and GMA in all stakeholder activities during the implementation of the Ferry Activity of the Transportation Project.
- 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.
- viii. MiDA shall not provide additional funding for any improvements to Ferry Activity that MHR may propose that are over and above the work envisaged for the Ferry Activity.

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**7. MODIFICATION**

This MOU may be amended or modified only by written agreement, signed by the Principal Representatives of MiDA and MHR, 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 MHR; 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.

**8. NOTICES**

Any notice 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 HON. MINISTER  
MINISTRY OF HARBOURS AND RAILWAYS  
PMB, MINISTRIES POST OFFICE  
ACCRA, GHANA**

**TEL: (233-21) 681 780  
FAX: (233-21) 681 781  
E-MAIL:**

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

**TEL: (23321) 666 619  
FAX: (23321) 666 669  
E-MAIL: mesonbenjamin@mida.gov.gh**

**9. 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 spell out among others, the specific responsibilities of 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

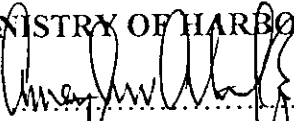
this MOU to be executed in their names and delivered as of the date first written above.

**SIGNATURE PAGE BEGINS ON THE NEXT PAGE**

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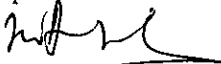
MINISTRY OF HARBOURS & RAILWAYS:

By: 

Name: C. AMEYAW - AICWMP

Title: Minister of Harbours & Railways

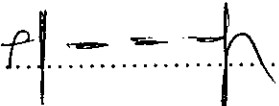
In the presence of:

  
Signature

Name: ISAAC DADD

Title: CHIEF DIRECTOR

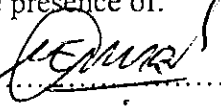
MILLENNIUM DEVPT. AUTHORITY:

By: 

Name: MARTIN ESUR - Benjamin

Title: The Chief Executive Officer

In the presence of:

  
Signature

Name: Matthew Avard

Title: Chief Operating Officer