

## CONDITIONS PRECEDENT REPORT

| Project/<br>Activity <sup>2</sup>                         | Condition Precedent   | Due<br>By | Status <sup>2</sup> | Relevant Documentation  | Request for<br>Deferral/Waiver and<br>Justification |
|---|---|-----------|---------------------|---|---|
| Program –<br>Monitoring<br>and<br>Evaluation <sup>3</sup> | Prior to any MCC Disbursement for any Program, Project or Project Activity (or any component thereof) covering Quarter 4 of Year 1, MiDA has selected and engaged a Director of Monitoring and Evaluation.  | Y1Q4      | Satisfied           | Employment Contract:<br><br>1 <sup>st</sup> March 2007  |   |
|   | Prior to any MCC Disbursement for any Program, Project or Project Activity (or any component thereof) on or after the Quarter immediately following the selection and engagement of the initial Director of Monitoring and Evaluation, the Board of MiDA has approved the M&E Plan.   | Any       | Satisfied           | Board Resolution from<br>02/26/2007<br><br>Revised M&E Plan to be sent<br>to MiDA Board for approval to<br>replace previous document. |   |
| Commercial<br>Training<br>Activity                        | <p>Prior to any MCC Disbursement for the Commercial Training Activity: MiDA has selected and engaged the Commercialization of Agriculture Project Manager, approved by MCC, or in the event the position is vacated, MiDA is actively recruiting for the position.</p> <p>Prior to any MCC Disbursement, for the Commercial Training Activity covering Quarter 1: of each Year: MiDA has submitted evidence demonstrating that the Government has maintained, at minimum the current fiscal year's level of budget allocation to the Directorate of Extension of MOFA to fund management, staffing and operational cost of extension services in target</p> | Any       | Satisfied.          | Employment Contract: 1 <sup>st</sup><br>February 2007   |   |
|   |   | Y2Q1      | Not due             | Evidence provided before Q2<br>disbursement. Not due again<br>till Government presents the  |   |

<sup>1</sup> Table will follow the projects and activities set forth in the Disbursement Agreement.

<sup>2</sup> Indicate whether condition is “satisfied,” “partially satisfied,” or “not satisfied.”

<sup>3</sup> Project and Project Activity Level Conditions relating to Indicators Targets are not included in this report; they will be included in future reports from Year 2.

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|--|---|-----------|---------------------|--|---|
| Post Harvest<br>Activity   | districts for the upcoming fiscal year  |           |                     | next budget for 2008   |   |
|  | Prior to any MCC Disbursement for the Post-Harvest Activity: MiDA has selected and engaged the Commercialization of Agriculture Project Manager, approved by MCC, or in the event the position is vacated, MiDA is actively recruiting for the position.                                  | Any       | Satisfied.          | Employment Contract: 1 <sup>st</sup><br>February 2007  |   |
|  | Prior to any MCC Disbursement of Post Harvest Activity on or after the Commencement of Quarter 4 of year 1: MiDA has submitted evidence demonstrating that the Government has adopted an Amendment to cause the National Plant Protection legislation to be in compliance with IPPC 1997. | Y1 Q4     | (Jan<br>08)         | Draft bill ready. Yet to be reviewed by International Consultant before it is submitted to Cabinet |   |
| Prior to any MCC Disbursement of Post Harvest Activity on or after the Commencement of Quarter 1 of each year: MiDA has submitted evidence, demonstrating that the Government has allocated funding for the upcoming fiscal year sufficient to cover | Y2 Q1   |           | Not applicable      |  |   |

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|                                   | cost of Plant Protection and Regulatory Service Directorate of MOFA, Ghana Standards Board under the Ministry of Trade and Industry and the Water Resource Institute under the Environmental Protection Agency of Ghana, in order to carryout their roles and responsibility in compliance with IPPC 1997 . |           |                     |  |   |
| Irrigation<br>Activity            | Prior to any MCC Disbursement for the Irrigation Activity: MiDA has selected and engaged the Commercialization of Agriculture Project Manager, approved by MCC or in the event the position is vacated, MiDA is actively recruiting for the position  | Any       | Satisfied.          | Employment Contract: 1 <sup>st</sup> February 2007 |   |
| Credit Activity                   | Prior to any MCC Disbursement for the Credit Activity: MiDA has selected and engaged the Agricultural Financial Services and Bank Capacity Building Manager, approved by MCC, or in the event the position is vacated, MiDA is actively recruiting for the position.  | Any       | Satisfied.          | Employment Contract: 1 <sup>st</sup> March 2007    |   |
| Community<br>Services<br>Activity | Prior to any MCC Disbursement for the Community Services Activity: MiDA has selected and engaged the Community Services Project Manager, approved by MCC, or in the event the position is vacated, MiDA is actively recruiting for the position.  | Any       | Satisfied           | Employment contract.                               |   |

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|                                   | <p>Prior to any MCC Disbursement for the sub-activity described in Section 2(b)(i) of Schedule 3 to Annex I of the Compact:</p> <p>i) MiDA has executed one or more Implementing Entity Agreements with (1) the Ministry of Local Government, Rural Development and Environment (for RICU), (2) the Community Water and Sanitation Entity, and (3) the Ministry of Education, Youth and Sport (for the Ghana Education Service), and these Implementing Entity Agreement(s) remain in full force and effect; and</p>                           | Any       | Not satisfied.      | Draft IEA with Ministry of Local Government, Rural Development and Environment for Rural Infrastructure Coordinating Unit (RICU) being discussed.  | <p>MiDA requests waiver of condition for disbursement for the following until IEA with RICU signed by November 2007:</p> <ul style="list-style-type: none"> <li>• Consultancy Services for Rehabilitation of schools (Fast Track)</li> <li>• Selection of IDIQ consultants .</li> </ul> |
|                                   | <p>ii) MiDA has submitted a project implementation manual, completed to MCC's satisfaction, setting out key operational roles, responsibilities and processes relating to, among others (1) financial management, procurement and contracting mechanisms; (2) methodology for allocation of funds among eligible districts; (3) relationships with relevant ministries, district assemblies, area councils and other communities; and (4) reporting requirements.</p>  | Any       | Satisfied           | <p>Community Services Operations Manual (Sect )</p> <p>1) Vol. II Chapter 3<br/>2) Vol. II Chapter 2<br/>3) Vol. I Chapters 3-6<br/>4) Vol. II Chapter 3 Sec 3.6</p>   |   |
|                                   | <p>Prior to any MCC Disbursement for any of the sub-activities described in Sections 2(b)(ii), (iii) or (iv) of Schedule 3 to Annex I of the Compact: MiDA has submitted the following, each satisfactory to MCC:</p> <p>i) Service norms &amp; standard designs: Norms for the provision of services and facilities, and standard designs of facilities to be built or rehabilitated, in accordance with the relevant ministries, departments and agencies;</p> <p>ii) District planning processes: Defined processes of prioritizing and</p> | Any       | Satisfied           | <p>Contained in the Community Services Operations Manual (Reference Section)</p> <p>Vol. III: Chapter 1 – Specification for Water &amp; Sanitation</p> <p>Vol. IV: Chapter 1 - Specification for Education</p> |   |

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|                                   | <p>selecting projects to be funded in accordance with District Development Plans, including consideration of proximity to the Project Activities under the Agriculture Project;</p> <p>iii) Community commitment standards: Standards for minimum contribution in cash or other property (including land and raw material) or labor by communities to qualify for participation;</p> <p>iv) Operating and maintenance budget commitments: Standards for adequate commitment of provision for operating and maintenance budgets, including needed staffing commitments; and standards for adequate cost recovery mechanisms (as appropriate); and</p> <p>v) Environmental and social assessment: Defined processes and standards for adequate assessment of environmental and social impacts, and remediation if needed.</p> |           |                     | <p>Vol. II: Chapter 2, Sect. 2.1 – 2.4<br/>- Policies &amp; Procedures</p> <p>Vol. III: Chapter 1 Sect. 1.4 –<br/>Water &amp; Sanitation</p> <p>Vol. IV: Chapter 1, Sect. 1.2 –<br/>Education</p> <p>Vol. III: Chapter 1, Sect. 1.9 –<br/>Water &amp; Sanitation</p> <p>Vol. IV: Chapter 1, Sect. 1.2 –<br/>Education</p> <p>Vol. II: Chapter 7 – Water &amp;<br/>Sanitation</p> <p>Vol. IV: Chapter 7 – Education</p> |  |
| Feeder Roads<br>Activity          | Prior to any MCC Disbursement for the Feeder Roads Activity: MiDA has selected and engaged an Implementing Entity under an Implementing Entity Agreement, and the agreement remains in full force and effect.   | Any       | Not<br>Satisfied    | MiDA has completed the Final Draft Implementing Entity Agreement (IEA) yet to be sent to MCC for Approval.   | Request for waiver until IEA is signed by end of October 2007  |
|                                   | Prior to any MCC Disbursement for the Feeder Roads Activity: MiDA has selected and engaged a firm to supervise the construction activities under the Feeder Roads Activity, or in the event the position is vacated, MiDA is actively recruiting for the position   | Any       | Satisfied           | MCC has approved the Request for Proposal Document (RFP Reference 2201101/RFP/QCBS/08/07 on Wednesday 5 <sup>th</sup> September 2007) to be used for the Selection of Firm to supervise the Feeder Roads Activity. RFP to be advertised on 12 <sup>th</sup> September,   | MiDA is actively procuring the services of Consultant to supervise the construction works under the Feeder Roads Activity. |

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|                                   |   |                     |                     | 2007   |   |
| Transportation<br>Project         | Prior to any MCC Disbursement for the Transportation Project: MiDA has selected and engaged the Transportation and Agricultural Infrastructure Project Manager, approved by MCC, or in the event the position is vacated, MiDA is actively recruiting for the position.   | Any                 | Satisfied           | Employment Contract: 1 <sup>st</sup><br>December, 2006   |   |
|                                   | Prior to any MCC Disbursement for the Transportation Project: MiDA has selected and engaged an external project management support consultant, approved by MCC, or in the event a position is vacated, MiDA is actively recruiting for the position.  | Any                 | Satisfied           | MCC has approved the Request for Proposal Document (RFP Reference 2001101/RFP/QCBS/08/07 on Friday 31 <sup>st</sup> August 2007) to be used for the Selection of Firm as the Project Management Support Consultant (PMSC) RFP to be advertised on 12 <sup>th</sup> September, 2007   | MiDA is actively procuring for the PMSC.  |
|                                   | Prior to the initial MCC Disbursement with respect to any construction under the Transportation Project: MiDA has submitted (a) a strategic environmental assessment (including an EMP and an HIV/AIDS awareness plan) covering the Intervention Zone in which such construction is anticipated, completed to MCC's satisfaction; provided, this requirement shall not apply to any MCC Disbursement with respect to any construction under the N1 Activity); (b) any required feasibility study, EIA and RAP, each completed to MCC's satisfaction; and (c) the evidence of implementation of any required RAP, including full payment of resettlement costs, in accordance with World Bank OP 4.12 on involuntary resettlement. | All<br>except<br>N1 | Not<br>Satisfied    | Technical Proposal Evaluation Report for the procurement of Consultant to carry out Strategic Environmental Assessment approved by MCC. Financial Proposal to be opened and combined evaluation completed by 20th September, 2007.<br><br>Technical Proposal Evaluation Report completed for the Feasibility, EIA and RAP under N1 Activity for MCC Approval. Financial Proposal to be opened and combined evaluation completed by 20th September, | MiDA request for waiver till SEA Consultant delivers the EMP, and and HIV/AIDS Awareness Plan |

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|                                   |  |           |                     | <p>2007.</p> <p>RFP Document approved by MCC which will be used to procure Consultant to undertake Feasibility Study, EIA and any RAP for Trunk, Feeder and Ferry Activities. RFP to be advertised on 12<sup>th</sup> September 2007.</p>   |   |
|                                   | <p>Prior to each MCC Disbursement for the Transportation Project covering Quarter 1 of each Year: MiDA has submitted evidence<sup>6</sup> demonstrating that (a) the amounts budgeted for routine and periodic maintenance of the maintainable road network for the previous fiscal year (other than fiscal year 2006) has been substantially expended for the intended purpose, and (b) the Government has budgeted funds sufficient to ensure that routine and periodic maintenance works are carried out in accordance with Ghana's Road Maintenance Standards for the maintainable road network for the current fiscal year.</p> | Any       | Not Due             | <p>Not Applicable for 3<sup>rd</sup> Quarter of Compact. Submission of evidence starts after end of 2007.</p>   |   |
|                                   | <p>Prior to any MCC Disbursement for the Transportation Project covering Quarter 3 of each Year: MiDA has submitted evidence demonstrating that the Government has adhered to agreements reached with donors under the RSDP and the Transport Sector Development Program.</p>  | Any       | Satisfied           | <p>These are contained in a communiqué issued in December 2005. Progress outlined as follows:</p> <ul style="list-style-type: none"> <li>• Government holds Annual Donors Conference to review the performance of the Road Sector and agree on the Way Forward. Annual Conference held in April 2007. Sector</li> </ul> |   |

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|                                   |                     |           |                     | <p>Review Document prepared.</p> <ul style="list-style-type: none"> <li>• Policy on Fuel Levy and approved by Cabinet to ensure sustainable road maintenance regime through the Road Fund. Fuel Levy currently increased to 6.6 US cents as at beginning of 2007</li> <li>• Axle Load Policy approved by Cabinet and Action Plan prepared The new Road Traffic Regulation has incorporated the requirements of the Policy and the Action Plan.</li> <li>• Cabinet as approved Policy on Tolling of Roads. Legislative Instruments on Road Use Fee, Vehicle Registration and Bridge Tolls amended by MoT yet to be submitted to Cabinet for Approval</li> <li>• Draft Transport Policy White Paper prepared yet to be submitted to cabinet for approval.</li> <li>• Calibration of the HDM-4</li> </ul> |   |

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|                                   |  |           |                     | Model. Application of HDM-4 institutionalized and forms the scientific and objective basis for strategic planning, programme and budgeting   |   |
| N1 Activity                       | Prior to any MCC Disbursement for the N1 Activity: MiDA has selected and engaged an Implementing Entity under an Implementing Entity Agreement, and the agreement remains in full force and effect   | Any       | Not Satisfied       | MiDA has completed the Final Draft Implementing Entity Agreement (IEA) yet to be sent to MCC for Approval.   | Request for waiver until IEA is signed by end of October 2007 |
|                                   | Prior to any MCC Disbursement with respect to any construction under the N1 Activity: MiDA has selected and engaged one or more firms to supervise the construction activities under the N1 Activity, approved by MCC, or in the event that such position is vacated, MiDA is actively recruiting for such position.   | Any       | Satisfied           | Technical Proposal Evaluation Report sent to MCC for Clearance. Award of Consultancy service contract by 30th September 2007.  |   |
|                                   | Prior to any MCC Disbursement with respect to any construction under the N1 Activity: MiDA has submitted evidence demonstrating that the construction activities for improvements to the N1 Highway or along the right of way between Tetteh Quarshie and Mallam Junctions, funded by sources other than MCC Funding, did not commence without prior MCC approval. | Any       | Satisfied           | No other investment has taken place. Ghana Highway Authority has earmarked the corridor for MCC investment. No Budget allocation made under Government's Medium Term Expenditure Framework (MTEF) for the period 2007-2009 |   |
| Trunk Road                        | Prior to any MCC Disbursement for the Trunk Roads Activity: MiDA has selected and engaged an Implementing Entity under an Implementing Entity Agreement, and the agreement remains in full force and effect.   | Any       | Not Satisfied       | MiDA has completed the Final Draft Implementing Entity Agreement (IEA) yet to be sent to MCC for Approval.   | Request for waiver until IEA is signed by end of October 2007 |

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| Activity                          |   |           |                     |  |   |
|                                   | Prior to the initial MCC Disbursement with respect to any construction on the Agogo-Dome Road segment under the Trunk Roads Activity: MiDA has submitted a technical and environmental audit of the Agogo-Dome Road, completed to MCC's satisfaction  | Any       | Not<br>Satisfied    | The prospective SEA consultant is to carry out the Technical and Environmental Audit. Technical Proposal Evaluation Report for the procurement of Consultant to carry out Strategic Environmental Assessment approved by MCC. Financial Proposal to be opened and combined evaluation completed by 20th September, 2007. | Request for waiver until SEA consultancy contract signed by end of October 2007   |
|                                   | Prior to any MCC Disbursement with respect to any construction under the Trunk Roads Activity: MiDA has selected and engaged a firm to supervise the construction activities under the Trunk Roads Activity, approved by MCC, or in the event that such position is vacated, MiDA is actively recruiting for such position. | Any       | Satisfied           | MCC has approved the Request for Proposal Document to be used for the Selection of Firm to supervise the construction works under the Feeder Roads Activity. RFP to be advertised on 11th September, 2007  | Request for waiver until Supervision consultancy contract signed by end of October 2008   |
|                                   | Prior to any MCC Disbursement for the Ferry Activity: MiDA has selected and engaged an Implementing Entity under an Implementing Entity Agreement, and the agreement remains in full force and effect   | Any       | Not<br>Satisfied    | Draft MOU to be prepared.  | Request for waiver until MiDA signs a Memorandum of Understanding (MOU) with Volta River Authority (VRA), Ghana Maritime Authority and Ministry of Harbours and Railways by end of October 2008 instead of IEA. |

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|-----------------------------------|--|-----------|---------------------|--|---|
| Ferry Activity                    |  |           |                     |  |   |
|                                   | Prior to any MCC Disbursement with respect to any construction under the Ferry Activity: MiDA has selected and engaged a firm to supervise the construction activities under the Ferry Activity, approved by MCC, or in the event that such position is vacated, MiDA is actively recruiting for such position | Any       | Satisfied           | MCC has approved the Request for Proposal Document to be used for the Selection of Firm to supervise construction works under the Ferry Activity. RFP to be advertised on 11th September, 2007 | Request for waiver until Supervision consultancy contract signed by end of October 2008 |
|                                   | Prior to any MCC Disbursement for the Ferry Activity on or after the commencement of Quarter 2 of Year 2: MiDA has submitted the Emergency Response Plans of VLTC developed by the Government and satisfactory to MCC  | Any       | Satisfied           | VLTC's Response Plan submitted to MCC  |   |
|                                   | Prior to any MCC Disbursement for the Ferry Activity on or after the commencement of Quarter 3 of Year 2: MiDA has submitted a Maritime Framework governing access and operations (including safety) on Lake Volta developed by the Government and satisfactory to MCC   | Any       | Satisfied           | Maritime Framework submitted to MCC  |   |
| Financial Services Activity       | Prior to any MCC Disbursement for the Financial Services Activity: MiDA has selected and engaged the Agricultural Financial Services and Bank Capacity Building Manager, approved by MCC, or in the event the position is vacated, MiDA is actively recruiting for the position.                               | Any       | Satisfied.          | Employment Contract  |   |
| Land Facilitation Activity        | Prior to any MCC Disbursement for the Land Activity: MiDA has selected and engaged the Land Administration Project Manager, approved by MCC, or in the event the position is vacated, MiDA is actively recruiting for the position.  | Any       | Satisfied           | Employment Contract :1 <sup>st</sup> December, 2006  |   |

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|                                   |  |           |                     |  |   |
|                                   | <p>Prior to any MCC Disbursement to improve the Ghanaian courts' ability to process land disputes (as described in Paragraph 2(c)(iv) of Schedule 1 to the Compact) in connection with the Land Activity: MiDA has engaged the Judicial Service of Ghana as an Implementing Entity under an Implementing Entity Agreement, and such Implementing Entity Agreement remains in full force and effect.</p>  | Any       | Not Satisfied       | <p>Activity to commence 6th Quarter, July 08 – Sept., 08. However, Road Map is done and roles and responsibilities detailed. MCC to comment and give input upon submission.</p>  |   |
|                                   | <p>Prior to any MCC Disbursement for the Land Activity on or after the commencement of Quarter 1 of Year 3: MiDA has submitted evidence demonstrating that the Government has taken effective measures to implement the recommendations for legal and institutional reforms for land administration, land management and land tenure as proposed in a memorandum submitted by the Minister of Lands, Forests and Mines to the Cabinet and approved by the Cabinet on February 9, 2007.</p> | Any       | Not Satisfied       | <p>Draft Lands Commission Bill is before Cabinet for Consideration. On Organizational Management and Operational Studies (OMO), Evaluation of Financial Proposals for work to begin is completed and a draft Contract prepared and awaiting "no objection" from the World Bank</p> |   |
|                                   | <p>Prior to any MCC Disbursement for the Land Activity on or after the commencement of Quarter 1 of Year 4: MiDA has submitted evidence demonstrating that Government has harmonized the relevant land legislation and regulations with the constitutional mandate related to public taking of land for the public good.</p>   | Any       | Not Satisfied       | <p>LAP initiated steps to engage all stakeholders towards codification of the myriad laws impacting on Land Administration</p>   |   |