



MILLENNIUM DEVELOPMENT AUTHORITY (MiDA)

GHANA COMPACT II

Quarterly Progress Report

April – June 2016

Ghana Compact II Theme
***"Powering Ghana for Accelerated and Sustainable
Economic Growth"***

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GLOSSARY OF ABBREVIATIONS

AgDevCo	Africa Agricultural Development Company
CAP-Scan	Capacity Scan
CIF	Compact Implementation Funding
CP	Condition Precedent
EC	Energy Commission
ECG	Electricity Company of Ghana Ltd
EIF	Entry-into-Force
ESP	Environmental and Social Performance
FAP	Fiscal Accountability Plan
FASA	Financial Advisory Services Agreement
GIS	Geographic Information System
GoG	Government of Ghana
GPN	General Procurement Notice
GSI	Gender and Social Inclusion
GSMP	Gas Sector Master Plan
IEA	Implementing Entity Agreement
IFC	International Finance Corporation
IPP	Independent Power Producer
IRP	Integrated Resource Planning
IWAD	Integrated Water Management & Agricultural Development
LNG	Liquefied Natural Gas
LoI	Letter of Invitation
LPO	Local Purchasing Order
MCA	Millennium Challenge Account
MCC	Millennium Challenge Corporation
MiDA	Millennium Development Authority
MoF	Ministry of Finance
MoP	Ministry of Power
MoPet	Ministry of Petroleum
NEDCo	Northern Electricity Distribution Company Ltd
PIA	Program Implementation Plan
PMC	Program Management Consultant
PSP	Private Sector Participation
PURC	Public Utilities Regulatory Commission
PUWU	Public Utility Workers Union
RfP	Request for Proposals
RfQ	Request for Qualification
SADA	Savannah Accelerated Development Authority
SAP	System Application Product
GSEP	Global Sustainable Electricity Partnership
SGIP	Social and Gender Integration Plan
SPN	Special Procurement Notice
TA	Technical Assistant
TEN	Tweneboa, Enyenra, and Ntomme
TOR	Terms of Reference
TP	Tariff Plan
RfEOI	Request for Expression Interest
TSR	Transaction Structure Report
VRA	Volta River Authority

EXECUTIVE SUMMARY

Introduction

This Progress Report covers the period from April 1 to June 30, 2016 and captures activities that have been undertaken by the Millennium Development Authority (MiDA) in respect of the implementation of the Compact Program. This includes activities related to the following:-

1. Conditions Precedent to Entry into Force (EIF) and First Disbursement of Program Funding
2. Program Activities
3. Environment and Social Performance
4. Gender and Social Inclusion
5. Monitoring and Evaluation
6. Communications and Outreach
7. Procurement
8. Financial Management
9. Legal and Governance

The report also identifies critical issues / risks to the successful execution of Ghana's second Compact and highlights Government approvals required. It concludes with projections for the next quarter.

Conditions Precedent to Entry into Force

The status of Conditions Precedent to Entry into Force and First Disbursement are captured in tables 1 & 2.

Table 1: Status of CPs to Entry into Force of Ghana Compact II (as at June 30, 2016)

Status of CPs to Entry Into Force	
Condition Precedent	Status
The Program Implementation Agreement must have been signed	Completed
GoG must deliver letter confirming that all domestic requirements necessary for EIF have been met	Pending
GoG must produce a signed legal opinion from the Attorney General	Pending. Action initiated
GoG must submit to MCC complete and certified copies of documents such as decrees, legislation etc. relating to domestic requirement for the Compact to Enter Into Force.	Completed
The Government must not have engaged in actions inconsistent with the eligibility criteria for MCC Funding	On track
The tender documents for an Acceptable ECG PSP Transaction must be released for selection through an open and transparent process.	Pending. Substantial progress made

Substantial compliance with the Gas Action Plan	Pending. Action in progress
A long term Gas Sector Master Plan has been approved by GoG	Pending. Action in progress
Substantial compliance with the Electric Distribution Utility Payment Action Plan	On track
Approval and implementation of quarterly tariff adjustments	On track

Table 2: Status of CPs to First Disbursement (ie, Program Funding) for Ghana Compact II (as at June 30, 2016)

Status of CPs to First Disbursement (Program Funding)	
Condition Precedent	Status
The Compact should have entered into force	EIF anticipated to be early September 2016
Key Staff Members should have been engaged	Completed
MiDA is conducting its operations and management in accordance with the Governing Documents	On track
MiDA must have an approved Fiscal Accountability Plan	Completed
MiDA must have an approved Environmental and Social Management Plan	Completed
MiDA must have a Program Implementation Plan	Pending. Substantial progress made
An assessment of ECG Environmental, Social, Health and Safety staff and resources undertaken and gaps filled	Discussion ongoing to defer this CP
GoG must have submitted a clear policy statement clarifying the Government's approach to addressing requests for guarantees from Independent Power Producers.	Pending
Implementing Entity Agreement signed with ECG	Completed
Implementing Entity Agreement signed with MoP	Development of IEA in progress
Implementing Entity Agreement signed with MoPet	Development of IEA in progress
Implementing Entity Agreement signed with EC	Negotiations nearly complete
Implementing Entity Agreement signed with PURC	Negotiations on hold

Program and Related Activities

MiDA achieved significant progress in respect of all activities required to be completed before Entry into Force of the Compact. The following are important milestones achieved within the quarter:

- Environmental and Social Management System (ESMS) approved and policies in use.
- MCC non-objection for Technical Evaluation Report for the procurement of Tariff Study Consultant received.
- Progress with the development of the Gender and Social Inclusion Plan (SGIP) for the Compact
- The RfQ for PSP Transaction launched, prequalification applications received and evaluation process concluded
- Substantial progress in preparation of TORs for five (5) consulting contracts and the launch of an RfP for a Program Management Consultant (PMC)
- Financial commitments of US\$2,008,473 was achieved against a budget figure of US\$2,116,623, representing 94.9% of target for the quarter
- Substantial progress on developing key Implementing Entity Agreements (IEAs) and TORs

Financial Management

Details of the Commitments and Disbursements for Compact Implementation Fund for Quarter 6 is indicated in Table 3.

Table 3: Financial Overview - Commitments and Disbursement for CIF Qtr 6

	CIF Qtr 6 Budget	CIF Qtr 6 Actuals	% Variance	CIF Inception to Date	% CIF Funds
	US\$	US\$		US\$	
Commitments	2,116,623	2,008,473	(5.1%)	12,974,618	44.9
MCC Disbursements	3,231,854	2,691,642	(16.7%)	11,214,996	38.8
Cash in Hand (<i>end-Qtr</i>)	187,665	213,448	-	-	-

Receipts from GoG to date - GHC 29, 847,133.37

Disbursement Request (CIF Qtr.7) - US\$ 2,635,313

Critical Issues

The following are critical issues that demand attention in the next quarter:

A number of the Conditions Precedent to EIF were outstanding. In order to meet these Conditions Precedent and be fully prepared to Enter into Force by early September, 2016, MiDA will require GoG's assistance and support in the following deliverables

- A letter from Ministry of Petroleum indicating GoG's approval of the Gas Sector Master Plan (already approved by Cabinet)

- A letter from the Ministry of Petroleum responding to MCC's queries on documents submitted as evidence of compliance with the Gas Action Plan
- A signed legal opinion from the Attorney General
- Continued collaboration from PURC is required to ensure the approval of the tariff methodology which feeds into the RFP for the ECG Concession.
- Misconceptions and un-coordinated communication on the Compact 2 activities, especially the PSP. It is critical to ensure that both Government and MiDA Communication teams deliver effective communication by sending the right information to the right people at the right time.

Projections for Next Quarter

The following have been planned for completion during the third quarter of 2016:-

- MCC's approval of RfP for the ECG PSP Transaction, issue of RfP to shortlisted bidders, and Entry into Force of the Compact
- All IEAs which are Conditions Precedent (CPs) to initial disbursement of Program Funding would have been signed
- All CPs for initial disbursement would have been met

The following shall be MiDA's key focus areas as project activities progress into EIF:

- Substantial progress on the GIS Individual Consultant and SGIP Consultant contracts
- Bidding documents shall be launched to procure the following Consultants/Contractors:
 - A contractor for phase II of the GIS activity
 - Data Center and Communications Network Design Consultant
 - Project Design Consultants for the Access Project (to be undertaken by MCC)
 - Feasibility Study Consultant for the redesign of the NEDCo Project (to be undertaken by MCC)
 - Technical Advisors for ECG
 - CAP-Scan
- Contract signed for Program Management Consultant
- All initial arrangements required to facilitate Compact implementation completed

GHANA COMPACT II

Progress Report

April – June 2016

1.0 INTRODUCTION

On 5th August 2014, the Millennium Challenge Corporation Compact between the Republic of Ghana and the United States of America was signed. The goal of the Compact is to reduce poverty through economic growth in Ghana; and its objectives are to:

- a. increase private sector investment and the productivity and profitability of micro, small, medium, and large scale businesses
- b. increase employment opportunities for men and women
- c. raise earning potential from self-employment and improved social outcomes for men and women.

The Compact Program has a budget of \$498.2 million consisting of two Tranches of Program Funding amounting to \$469.3 million and a Compact Implementation Funding (CIF) of \$28.9 million. In addition, there will be a Government of Ghana (GoG) contribution of no less than 7.5% (i.e. \$23.115 million at the Tranche I stage and an additional \$14.250 million upon satisfaction of the Conditions Precedent to the initial Tranche II Funding Disbursement).

Following the signing of the Compact and having met certain Conditions Precedent (CPs) to Implementation Funding, the Millennium Development Authority (MiDA) as the designated Accountable Entity for the implementation of the Compact entered the Compact Implementation Funding (CIF) period. In this reporting period which marks the 6th Quarter of CIF, key activities related to the following have been undertaken:

- Conditions Precedent to Entry into Force of the Compact and First Disbursement of Program Funding
- Program Activities
- Environment and Social Performance
- Gender and Social Inclusion
- Monitoring and Evaluation
- Communications and Outreach
- Procurement
- Financial Management
- Legal and Governance.

Specific details are provided below.

2.0 CONDITIONS PRECEDENT TO ENTRY INTO FORCE & FIRST DISBURSEMENT

The key Conditions Precedent (CPs) to EIF are that before Entry into Force, the Government of Ghana must have delivered to MCC evidence:

1. That the tender documents for an Acceptable ECG PSP Transaction have been released for selection through an open and transparent process
2. Of substantial compliance with the Gas Action Plan
3. That a long term Gas Sector Master Plan has been approved by GoG
4. Of substantial compliance with the Electric Distribution Utility Payment Action Plan
5. Of approval and implementation of quarterly tariff adjustments

2.1 ECG PSP Transaction

As in the previous quarter, the most significant activity in the reporting period relates to the ECG Private Sector Participation (PSP) Transaction. IFC submitted the draft Request for Proposal (RfP) document to MiDA in April 2016 for study and review. The document was shared with all stakeholders and reviewed through the months of April, May and June. MiDA consolidated comments received from all stakeholders for MCC's and MiDA Board's review.

At the same time, MiDA also received applications for pre-qualification in response to a Request for Qualification document issued by MiDA in April 2016. Applications were evaluated and the evaluation report submitted to the MiDA Board for approval.

2.2 Gas Action Plan

During the reporting period, MoPet issued a letter to inform MiDA about GoG's approval of the Gas Action Plan. Key milestones contained in the GAP, such as completion of the Jubilee infrastructure and the signing of Commercial Gas Agreements have been achieved. However, the Jubilee post-foundation and TEN agreements have not yet been executed. New timelines are now being set for achieving these milestones.

MiDA was continuing to follow up with the Ministry to ensure that this CP is met.

2.3 Gas Sector Master Plan

The Gas Sector Master Plan (GMP) was completed by Economic Consulting Associates and submitted to the MoPet in the last quarter of 2014. Following the submission of the GMP to Cabinet for approval, Cabinet requested for further stakeholder consultations and a re-submission. The GMP was re-submitted on June 9, 2016, which has since been approved by Cabinet. MiDA is awaiting letter from MoPet confirming cabinet approval.

2.4 Utility Arrears Plan

In October 2015, the Ministry of Finance submitted the Final Electric Distribution Utility Payment Action Plan to MCC, satisfying this Condition Precedent. The Ministry of Finance also continued

to make required payments as stipulated in the Plan. MiDA received the warrant for the sixth installment on May 11, 2016. GoG continues to comply with this CP.

2.5 Quarterly Tariff Adjustments

On April 4, PURC published and announced ‘no adjustments’ in utility tariffs for the quarter. GoG therefore remains in compliance with the CP.

2.6 Preparation of Required Plans and Agreements

The Plans and Agreements required to be in place before the disbursement of Program Funding include:-

- **Fiscal Accountability Plan (FAP)**

FAP was completed, approved, and being implemented.

- **Project Implementation Plan (PIP)**

The PIP consists of the following:

- (i) Work Plan - MCC comments received, incorporated and updates ongoing.
- (ii) Detailed Financial Plan - Completed and updated
- (iii) Audit Plan - Completed
- (iv) Procurement Plan - Completed and updated

- **Environmental and Social Management System (ESMS)**

An ESMS has been developed and adopted for use following MCC’s formal No-objection.

- **Integrated Resource Plan (IRP) and IPP Solicitation Plan**

MiDA, MCC, and USAID agreed that USAID would undertake this activity. Following completion of evaluation of ICF’s proposal by USAID’s Technical Evaluation Committee, ICF was awarded contract for the IRRP on April 16, 2016. ICF has since mobilized and undertaken an in-country preparatory project implementation mission and engaged with various power sector stakeholders to gain understanding in designing the project details.

MiDA will continue to work with USAID to develop the IRRP and IPP Solicitation plans envisioned in the Compact.

- **Implementing Entity Agreements (IEAs)**

MiDA is currently working on eleven (11) Implementing Entity Agreements, five (5) of which are Conditions Precedent to Program Funding for specific projects. MiDA has begun negotiations with PURC and EC with respect to their IEA and concluded negotiations with ECG on their IEA. The ECG IEA which was approved by the MiDA Board in the previous quarter, was subsequently approved by ECG Board and signed in June 2016.

- **Monitoring and Evaluation Plan (M&E Plan) – Due EIF + 90 days**

During the reporting period, the Data Quality Review (DQR) consultant presented the final DQR Report. The results of the DQR will be incorporated into the draft Compact 2 M&E Plan, after stakeholder consultations have been undertaken to set targets for monitoring indicators. The Key Performance Indicators (KPIs) from the ECG PSP legal agreements will also be incorporated into the document, which will then undergo MCC review. It is expected that the final plan will be approved by MCC and the MiDA Board by end of September, 2016.

- **Social and Gender Integration Plan (SGIP) – Due Prior to 2nd Disbursement**

A draft SGIP was developed and shared with stakeholders for review and comments in the reporting period. A validation workshop was held and further reviews made. A final plan was expected in August to be delivered to MCC for formal No-Objection and approval.

- **Tariff Plan (TP) – Due EIF + 1 year**

Within a year of EIF, GoG is expected to put in place a Tariff Plan (TP) after a comprehensive tariff review or study by a Consultant. Bid submission closed in May. Technical Evaluation of received proposals from prospective Consultants was completed and MCC no-objection received within the reporting period.

3.0 PROGRAM ACTIVITIES

3.1 ECG Financial Operational Turnaround Project (EFOT)

3.1.1 Private Sector Participation (PSP) Activity

Progress on this activity is reported in Section 2.1 as the activity is also a Condition Precedent.

3.1.2 Modernizing Utility Operations

- *Individual Consultant for GIS Work*

By the end of the previous quarter, the Consultant had undertaken the first set of on-site meetings and submitted the draft report on Tasks 1-7. MiDA and ECG provided comments on the draft reports for Tasks 1-7, and GIS Consultant revised same for further review. The GIS Consultant commenced the second on-site meetings (April 25-May 06, 2016) with stakeholders. During this period, the group reviewed draft reports, map products as well as the draft RfP. MiDA and ECG provided comments on the reports for Tasks 1-7, and GIS Consultant revised the report to incorporate the changes. The Consultant has substantially completed the RfP required to engage a GIS Contractor for the implementation of the project.

- *Project Management Consultant (PMC)*

The RfP for PMC was submitted to MCC on April 12 for the no objection. The RfP was issued out on May 17, 2016.

3.2 NEDCo Financial Operational Turnaround Project (NFOT)

MiDA, MCC, and NEDCo continued to validate data for a re-design of the NEDCo Project. MCC Economist, Barry Deren, had completed a preliminary assessment of the economic model for economic analysis of the NEDCo Project redesign.

MCC has engaged the US Army Corps of Engineers to conduct the feasibility studies for the NEDCo Project re-design. The Consultants are expected to submit an interim report for presentation to MCC Investment Committee in November 2016.

3.3 Regulatory Strengthening and Capacity Building Project

3.3.1 Sector Performance Monitoring Capacity Building Activity

During the period, MiDA and MCC dialogued on the most appropriate Capacity and Needs Assessment (CAP-Scan) approach for the Power Sector. The process involved critical stakeholder assessments and seeks to be participatory and self-driven by the Power Sector stakeholders. The ToR will be shared with the stakeholders for reviews and comments in the next quarter, and subsequent procurement launched.

3.3.2 Tariff Review and Regulation Activity

Following the launching of the RfP on Tariff Study and Tariff Plan Consultancy in March and a Pre-Proposal Meeting on April 6, bids were received and opened on April 29 and technical bid evaluation commenced on May 3, 2016. The technical bid evaluation had been completed and MCC “no objection” received, by the end of the review period.

3.4 Access Project

The project is currently in the re-scoping and re-design phase. MiDA provided assistance to MCC on a pre-proposal meeting with the Army Corp of Engineers, the Consultants carrying out the re-design of the Project.

3.5 Power Generation Sector Improvement Project

Overall, the project is under review and re-scoping in light of USAID activities currently ongoing within the Ministry of Petroleum.

3.5.1 Operationalize Gas to Power Value Chain Activity

With regards to key gas sector areas (LNG, Infrastructure Development, and Capacity Building) that the MoPet identified for Compact support, MCC has advised for further discussion which will be tied to GoG achieving the gas CPs in the Compact. These CPs are (i) GoG compliance with the GAP, and (ii) approval of the GSMP.

3.5.2 Facilitation of LNG Project Activity

There is GoG's clear strategy for delivery of the LNG project. A GoG decision is required to enable MiDA determine whether or not to undertake the outstanding LNG Feasibility Studies as set out in the Compact

3.5.3 Sector Planning and IPP Framework

During the quarter, USAID awarded ICF the contract for the development and implementation of the IRRP on April 16, 2016. ICF has since mobilized and undertaken an in-country preparatory project implementation mission and engaged with various power sector stakeholders to gain understanding in designing the project details. ICF work plan is expected to be issued shortly.

3.6 Energy Efficiency and Demand Side Management Project

During the quarter, MiDA continued to work on ToR for Consultancy on Streetlight Replacement Activity. The ToR has gone through the MiDA/MCC review cycle, and MiDA has obtained MCC "no objection, but with some comments". The ToR has been finalized with all comments incorporated and ready to go to MiDA Procurement.

4.0 ENVIRONMENTAL & SOCIAL PERFORMANCE

4.1 Environmental and Social Management System (ESMS)

MiDA completed the development of the Environmental and Social Management System and obtained MCC's no-objection on May 19, 2016. The approved documents have been shared internally and policies communicated.

4.2 Condition Precedent relating to EFOT Project

One of the critical CPs for initial disbursement for program funding for EFOT project is for MiDA to submit evidence, in form and substance satisfactory to MCC that ECG has environmental, social, health and safety staff and resources needed to manage risks and opportunities. Staff and resource needs will be identified through an assessment jointly conducted by MiDA and ECG. In the event a gap has been identified, MiDA and ECG will collaborate to recruit for the positions.

MCC ESP has secured the services of a Health, Safety, and Environment (HSE) Consultant to lead the process. Pre-planning meeting involving MiDA, ECG, MCC, and the HSE Consultant to map out the strategy for the assessment is scheduled for July 8, 2016.

4.3 Terms of Reference (ToRs)

A draft ToR for Resettlement Action Plan (RAP) has been finalized and shared for review by MCC, PA and MiDA. A draft TOR for an Environment, Health, and Safety Consultant will be finalized and circulated for review by the week of July 3, 2016.

5.0 GENDER AND SOCIAL INCLUSION

Work continued on the development of the SGIP by the Consultant WI-HER LLC. Various stakeholder engagements, follow-up meetings and validation workshops on the output to tasks assigned were held to foster greater understanding and ensure ownership of GSI in the compact implementation. Specifically, a follow-up meeting was held with ECG Power Queens to explain the SGIP development process and ECG's role in it.

Also in the quarter, Dr. Nancy Lee (MCC Deputy CEO) was accompanied on a field visit to the Mallam Ata Market in Accra on June 8, 2016 during her visit to the country. Ms Deidra James Fair, the MCC Country Director and Deputy, Elizabeth Feleke participated in the field visit. The team interacted with the Market Queen and executives of the Market. About five (5) officials of the Accra Metropolitan Assembly (AMA) and four (4) from the Electricity Company of Ghana (ECG) joined the trip. The representatives of ECG and AMA briefed the MCC and MiDA teams on existing electricity service delivery in the market and the impact of newly installed ECG prepaid meters.

6.0 MONITORING AND EVALUATION

The Data Quality Review (DQR) Consultant continued work in the reporting period, and submitted the Final DQR Report which has been accepted. A workshop attended by the reporting entities that were covered in the Data Quality Review (i.e. ECG, NEDCo, EC, GRIDCo and MoP) was held on June 16, 2016 to discuss the draft versions of the Skills Requirement and Capacity Building Report, and the Data Quality Review (DQR) Manual. The final versions were received on June 29, 2016.

Work continued on finalizing indicators for the M&E Plan. MiDA also commenced work on setting milestone targets with the reporting entities. A revised Draft Semi-Annual Review Guideline has been developed following a conference call with MCA-Malawi facilitated by MCC M&E.

7.0 COMMUNICATION AND OUTREACH

The following describes the communication and outreach activities led by the Communications and Outreach department within the period under review.

7.1 Communication

7.1.1 Media

Following the National May Day Parade at which ECG workers actively expressed their disapproval of the ECG PSP, the media turned its focus on the issue. The Deputy General Secretary of the Public Utility Workers Union (PUWU), Mr. Michael Adumata Nyantakyi in discussions on TV and radio alleged that MiDA had not engaged with ECG at all. Management of MiDA took

the decision to prepare a draft statement and circulate it to all media institutions debunking this allegation and a press statement issued.

The Director Communication & Outreach was interviewed on 6 May by George Ankrah of Radio Ghana (95.7FM) on the ECG PSP, specifically on the difference between Privatization and Concession. The extent of MiDA's engagement with ECG was also discussed.

7.1.2 MiDA Website and Social Media

The Web and social media platforms continued to record increased User Traffic and growth in the quarter under review. In the reporting period, a total of 3,171 Users visited the MiDA website as compared to 2,255 during the previous period. There were 5, 711 total sessions as against 4,855 sessions during the previous quarter. Average time spent on the site during the quarter was 2.54 minutes on the site during this quarter. Total number of page views is 13,071 in the second quarter of 2016. Followers of MiDA on Facebook, measured in total page likes during this quarter, increased from 282 to 682.

Although the Communications Plan required MiDA to post Cabinet's decisions on the Transaction Structure, MiDA Management took the decision to postpone posting the decisions.

7.2 Outreach

7.2.1 Engagement with Deputy Ministers – MoP, Communications, Employment & Labour, Finance

- Meeting with Hon. Felix Oforu-Kwakye on April 5, MiDA updated him on ECG PSP and Compact 2 activities. Other communications material such as the MiDA Message Bank and FAQ's on the ECG PSP was handed over to him to ensure that Government Communications and MiDA are harmonized
- A number of meetings were also held with some Government officials including Hon. John Jinapor, Hon. Haruna Idrissu, and Hon. Felix Oforu-Kwakye to discuss ECG's concerns about the ECG PSP Transaction. ECG was represented at these meetings by its Management and the Public Utilities Works Union (PUWU)
- MiDA engaged Madam Mona Kabuki Quartey, Deputy MoF, to update her on current processes and elicit her support as MiDA worked toward Entry into Force of the Compact

7.2.2 Engagement with Stakeholders of the Socialist Forum and others.

As part of our outreach activities, MiDA met the following key stakeholders:

Mr. Kwesi Pratt, the Socialist Forum; Dr. Pessey; Dr. Yao Graham, the Third World Network; and Dr Stephen Manteaw, ISODEC

7.2.3 Workshops/Conferences/Seminars/Exhibitions

- MiDA held an ECG PSP Accra Roadshow on April 18 at the Alisa Hotel Accra. The event was recognized as extremely successful, and received wide media coverage.
- MiDA participated in the West Africa Mining and Power Conference (WAMPOC/WAMPEX) 2016 from June 1-3
- MiDA participated in the launch of the State of the Public Service Report (SoPSR) by the Public Services Commission;

8.0 PROCUREMENT

During the reporting period, Charles Kendall and Partners Ltd, the Procurement Agent, continued to provide technical support to MiDA Procurement as Procurement Agent.

8.1 Procurement Planning

MiDA prepared and submitted a draft Compact Procurement Plan in MS Excel to the MCC Procurement Director for an informal review prior to submitting the final one upon Entry into Force of the Compact.

8.2 General Procurement Notice (GPN) - Compact Implementation Fund (CIF)

GPNs were issued in both the print and electronic media including:

Local Dailies (Daily Graphic, Ghanaian Times and Business and Financial Times Newspapers);

Online (MiDA website, MCC website, Invest in Africa and UNDB Magazine).

GPN No. 4 for CIF Procurement Plan No.3 for the period April 1 – September 30, 2016 has been published in the above media and is currently running on the MiDA website.

8.3 Specific Procurement Notice (SPNs)

During the quarter, SPN was issued for the selection of Program Management Consultant

8.4 Bid Challenge System (BCS)

MCC No Objection to the MiDA BCS was provided on 27 June, 2016. It will be published on the MiDA website and will henceforth be referred to in all Bidding Documents that MiDA would issue. The next step is to select the Independent Review Panel.

8.5 Procurements Undertaken

8.5.1

To reduce transaction costs in procurement of stationery and other office consumables, MiDA Procurement launched a Request for Quotations to select a number of firms for Call-off Contracts. Contracts were signed with six (6) companies to participate in the Bulk Purchase Agreement (BPA) with MiDA for one year, that is, up to 31 March, 2017.

Annex I provides details including the corresponding contract sums.

Local Purchase Orders to the tune of **USD11,548.81** were signed during the 2nd Quarter of 2016 (See **Annex II** for details).

8.6 On-going Procurements

See **Annex III** for details

Procurements at TOR Stage include:-

- i. CAP-Scan
- ii. Data Center and Communications Network Design Consultant
- iii. Technical Assistance to ECG
- iv. Consultant on Streetlight design and specification development
- v. A/C Test Facility consultant

8.7 Procurements outside MiDA CIF Procurement Plan

In regards to the Selection of PSP for ECG, Eleven Companies/Consortia submitted Pre-Qualification Applications.

9.0 FINANCE

9.1 CIF Funds – (Commitments and Disbursements)

Commitments and Disbursements for CIF Qtr. 6 were as follows:-

	CIF Qtr 6 Budget	CIF Qtr 6 Actuals	% Variance	CIF Inception to Date	% CIF Funds
	US\$	US\$		US\$	
Commitments	2,116,623	2,008,473	(5.1%)	12,974,618	44.9
MCC Disbursements	3,231,854	2,691,642	(16.7%)	11,214,996	38.8
Cash in Hand (<i>end-Qtr</i>)	187,665	213,448	-	-	-

Receipts from GoG to date - GHC 29, 847,133.37

Disbursement Request (CIF Qtr.7) - US\$ 2,635,313

9.2 Notes on Funding

9.2.1 Commitments

Cumulative Commitments to date amounts to \$ 12,974,618 and represents 45% of the total CIF funds. This amount represents signed contracts and payments under three areas, the ECG Financial and Operational Turnaround (EFOT) Project, Monitoring & Evaluation and Program Administration. The contracts under the EFOT Project include the ECG PSP Transaction Advisory Services and consultancy for Geographic Information Systems. Monitoring & Evaluation contract include Data Quality Review consultancy services, and Program Administration contracts includes SITA Corp and Iron Vine contracts for IT Services Procurement, Procurement Agent services, Fiscal Agent Services, and Social and Gender Integration Plan.

9.2.2 Disbursements

Actual Disbursements in the Quarter showed a negative cost variance of 16.7% in relation to the Budget. This resulted from delays in the submission of certain anticipated invoices for the Transaction Advisory services, Data Quality Review Consultant and other Program Administration expenses. The total Disbursements to date amounted to \$11,214,996.

9.3 Government Payments and Budgets

MiDA prepared a Budget Performance Report for 2015 (both financial and non-financial) for submission to the Ministry of Finance through the Office of Government Machinery. MiDA also received a copy of the Office of President's letter directing Ministry of Finance (MoF) to release the 2016 Counterpart Funds of US\$7,705,000 to MiDA. MiDA is following up on this for the warrant from MoF. We have also received our current cash ceiling allocation of GHS63,000 for the 2nd Quarter. We will input the necessary information in GIFMIS to access the funds.

10.0 ADMINISTRATION/HUMAN RESOURCES

10.1 Administration/Human Resources

MiDA's current staff strength as at the end of the quarter was fifty-nine (59) representing 98.3% of the total staff recruited (60). An additional staff member was expected to join in July 2016. Performance Appraisal had been done for 75% of the staff to date. Employee Handbook had been finalized and distributed to staff. A policy on employee flexible working hours was instituted during the quarter. The Office Beautification Project was almost complete.

10.2 ICT Interventions

The IT Team continue to work with the Project teams in advising and collaborating with the terms of reference for the ECG Data Center and Communication center, and helping to review the reports of the GIS Consultant. The month also saw the rollout of the MCA-Collaborate Project Management Curricula, which will be rolled out to all staff in the coming months.

10.3 Staff Training

There have been staff-led internal training on Excel, team-building trainings focused on Action Learning Cycles & Feedback, and external-facilitator led training on Health, Wellness, and Investment. The IT team participated in SAP training on the SiTA Corp Basis and Sojourner Help Desk System. Two staff from Procurement participated in MCC Procurement College from 18–30 June, 2016. Five staff members will represent MiDA at July's Internal Audit Agency Workshop on Effective Auditing Guidelines for Government Institutions.

11.0 LEGAL / GOVERNANCE

11.1 Fulfillment of Conditions Precedent to Entry Into Force

The legal department compiled and transmitted to MCC, a number of documents as evidence of the fulfillment of some Conditions Precedent (CPs) to Entry Into Force. Specifically, in fulfillment of the CPs stipulated in Article 7, Section 7.2(b) (iii); Article 7, Section 7.2 (d) (iv); Article 7, Section 7.2 (d) (v) and Article 7, Section 7.2 (d) (ii) of the Compact, the following were delivered:

- I. The Millennium Development Authority Act, 2006 (Act 702);
- II. The Millennium Development Authority (Amendment) Act, 2006 (Act 709),
- III. The Millennium Development Authority (Amendment) Act, 2015 (Act 897) and their Ghana Gazette Publications;
- IV. The Parliamentary Resolution ratifying the Compact;
- V. The Final Electric Distribution Utility Payment Action Plan,
- VI. Evidence of Electric Distribution Utility Payments for 2nd Quarter of 2015, 3rd Quarter of 2015, 4th Quarter of 2015, 1st Quarter of 2016 and 2nd Quarter of 2016;
- VII. Evidence of Tariff Adjustments by PURC for the 2nd Quarter 2015,
- VIII. 3rd Quarter 2015, 2015 Major Tariff Adjustment and 1st Quarter 2016;
- IX. Evidence of the executed ENI-GNPC Sankofa Gas Sale Agreement,
- X. GNGC-VRA Gas Supply Agreement and the Jubilee Partners-GNPC Raw Gas Sales Agreement

MiDA is yet to receive comments from MCC on the above documents. However, MiDA has requested for a number of additional documentation pertaining to the Gas Action Plan. MiDA is working with the Ministry to obtain the requisite documentation.

11.2 Review and Finalization of Legal Agreements for the ECG PSP Transaction

Following the submission of the Draft Request for Proposal (“RfP”) Document by the International Finance Corporation (IFC) on April 18, 2016, MiDA spearheaded a series of meetings to review the various Legal Agreements annexed thereto. From Thursday May 5, 2016 to Sunday May 8, 2016 the legal department joined lawyers from other stakeholder institutions (Ministry of Power and Attorney General’s Department) in Sogakope to review the agreements. This was followed by a meeting at the Attorney General’s department on May 10, 2016.

Subsequent to this the department scheduled and invited lawyers from the various stakeholder institutions (ECG, Ministry of Power, Ministry of Petroleum and the Attorney-General’s Department) to finalize the agreements on May 17, and May 19, 2016 with IFC’s lawyers. Also on June 9th, 15th and 21st MiDA held meetings with ECG and their lawyers and officials of the Ministry of Power to review their comments and changes to the legal agreements.

11.3 IFC Conflict of Interest issues

During the process for the evaluation of applications received for pre-qualification in respect of the ECG PSP Transaction, the GoG evaluation committee uncovered IFC’s interests in two of the applications namely Actis GP LLP, of United Kingdom, and Butec Utility Services, of Lebanon. Subsequently IFC in a discussion held with MiDA, in the presence of the MCC Resident Country Director and MCC Deputy Resident Country Director on May 16, 2016 advised that it had become aware that it had interests in some of the entities that submitted applications for pre-qualification for the ECG PSP transaction and that it was determining the full list of such entities and the extent of its interest in such entities.

IFC thereafter wrote to MiDA on 18th May 2016 and May 26, 2016 in respect of the issues regarding the Conflicts of Interest. Based on the information in the letters, it was evident that, IFC had interests in the some of the bidders which had been shortlisted for the ECG PSP transaction.

In dealing with the Conflicts of interest, MiDA Board approved of recommendations set forth in a position paper.

11.4 Implementing Entity Agreements

Some progress was made towards the negotiation and finalization of the various IEAs during the quarter. Work on the IEA for the Lands Commission commenced due to the possible triggering of involuntary resettlement from Compact activities. The ECG IEA was finalized and approved by the MiDA Board and the ECG Boards respectively and was duly executed by both parties. The IEAs for the Energy Commission, Ministry of Power and the Ministry of Petroleum were negotiated. A number of amendments needed to be made to these IEAs prior to their execution. MiDA also had initial discussions with the Attorney General's Department towards the negotiation and execution of an IEA. During the quarter, MiDA also received official comments from PURC on the IEA. Arrangements were underway to discuss PURC's comments.

11.5 Implementation Letter

The Legal Department received a draft Entry Into Force Certificate to be signed by the Board Chairman of MiDA when all the conditions precedent to Entry Into Force have been fulfilled. In addition, MCC provided a draft implementation letter in respect of the following:

- I. VAT Policy Changes by the Government of Ghana;
- II. Establishment of the Ministry of Power and the Ministry of Petroleum which replaced the Ministry of Energy and
- III. Requirement to have a Reform Unit Manager as one of the Key Staff at MiDA,

Discussions were held with MCC on the issues and it was agreed that the draft implementation letter should address all changes to the Key Staff at MiDA. MiDA had already received MCC's approval which reflected the changes to the key staff. However, since the staffing issue is a Compact and PIA requirement, the amendments must be documented in an implementation letter.

11.6 Board Matters

Five Board Meetings were held during the quarter. The 11th Meeting of the Board was held on June 1, 2016. The 7th Special Meeting of the Board was held meeting on May 18, 2016 as a joint MiDA-ECG Board meeting. The meeting discussed matters pertaining to ECG and the next steps for the ECG PSP Transaction. The 8th special meeting of the Board was also held on May 26, 2016 to take decisions on the way forward for the ECG PSP Transaction in the light of IFC's conflict of interest. The 9th special meeting of the Board which was also a joint MiDA-ECG Board meeting was held on June 8, 2016 as a follow up to the 7th Special Meeting. Lastly, the 10th Special meeting was held on June 28, 2016 to approve the draft Request for Proposal Document for ECG PSP Transaction.

11.7 Law Suit

During the course of the quarter, the Legal Department continued to monitor the case of Prof. Agyeman Badu Akosah (and 4 others). The Defendants in the matter are the ECG, Ministry of Power and the Attorney General's Department. MiDA was not listed as a Defendant in the matter. The Plaintiff opened its case and cross examination of the witness was commenced by counsel for the 3rd Defendant. A second injunction application filed by the Plaintiffs was refused by the court

and an appeal was filed in the Court of Appeal in respect of same. The plaintiffs also filed an application for stay of proceedings in the Court of Appeal. During cross examination by the Attorney General's Department, the legal department assisted with the clarification of certain issues and questions pertaining to the Compact and also in relation to the ECG PSP Transaction.

At the end of the quarter however, Counsel for the 3rd Defendant informed MiDA of a motion for joinder that had been filed by the Plaintiff seeking to join MiDA as a party to the suit. Parties to the suit have been ordered by the court to file their written submissions in respect of the application by July 8, 2016. The application for joinder has been adjourned until October 2016.

11.8 Outstanding Compact 1 Matters

A number of Compact 1 matters arose during the quarter. In particular these included prosecution for penalties in respect of unpaid Social Security and National Insurance Trust (SSNIT) contributions under Compact 1. Also the legal department worked with the Bank of Ghana towards the resolution of claims by Unibank Ghana Ltd arising out of the Agricultural Credit Program (ACP) under Compact 1. In the course of the quarter two additional claims under the ACP program were made by Mepe Area Rural Bank Limited and a writ was issued against MiDA by the Centre for Agriculture and Rural Development. MiDA will continue to work with the Bank of Ghana to bring a final resolution to the issues.

12.0 CRITICAL ISSUES

The following are critical issues or risk points MiDA is watching as we go into the next quarter:

- Entry Into Force will require the coordination and collaboration of a number of government entities in order to meet all Conditions Precedent to EIF;
- The Law Suit (please refer to Section 11.7) may potentially present delays to the Entry Into Force of the Compact, and further complications with the application for joinder.
- The shift of timelines for the RFP earlier planned for June 3, 2016 has critical implications for the sustained operation of the Compact. Cooperation from stakeholders like PURC, MoP, MoF, ECG and AG remained critical. Timely review of the draft document and the making of major decisions will be key in ensuring that we meet the new RFP launch date. There is also a critical need to align IEs with MiDA's activities and their active participation in the various processes which feed up to the RfP.
- Resolution of the IFC's conflict of interest to ensure the integrity of the ECG PSP Transaction;
- IEAs with some Implementing Entities (ECG, PURC, EC, MoP & MoPet) are CPs to program funding. A close and collaborative working relationship with these entities will be essential in the coming quarter
- MiDA had still not received ECG Management and PUWU's permission to engage with the ECG staff and Union members. MiDA will continue to work assiduously with various government entities to execute all the IEAs prior to the Compact entering into force;

13.0 PROJECTIONS FOR THE NEXT QUARTER

The following milestones are projected for next quarter:-

- All IEAs which are Conditions Precedent to disbursement of Program Funding will be signed
- Letter from MoPet confirming approval of the Gas Sector Master Plan would have been received
- Final Approval of PSP RfP issued to Shortlisted Bidders and Entry into Force of the Compact

Project activities will continue to gather momentum as the Compact Enters into Force and Year 1 commences. Key focus areas include the following goals/milestones for next quarter:

- Substantial progress on the GIS Individual Consultant contract
- Procurement of the following Consultants/Contractors:
 - A contractor for phase 2 of the GIS activity
 - Project Management Consultant
 - Data Center and Communications Network Design Consultant
 - Access Project Consultants (to be undertaken by MCC)
 - Technical Advisors for ECG
 - CAP-Scan Consultancy
- Finalization of the SGIP development and commence Phase 2 (Training) by August 31, 2016
- Complete final M&E and DQR Manual
- Target setting for indicators in the M&E Plan completed
- MiDA Work Plan updated with critical inputs from the Compact Implementation Workshop and submitted to the Board for approval
- There would have been Commitments to Contracts amounting to \$ 2,635,313 for the quarter

Annex I: Summary of Procurements for the 2nd Quarter (April - June, 2016)

NO.	NAME OF COMPANY	LOT NUMBER	TOTAL CONTRACT VALUE
1.	ALL BROTHERS BOOKS & STATIONERY LIMITED	LOT 1	GH¢ 54, 926.65
2.	DITA DANG MICRO SYSTEMS	LOT 2	GH¢ 56, 930.33
3.	IT MARKET LIMITED	LOT 2	GH¢ 45, 699.52
4.	NEXT COMPUTERS	LOT 2	GH¢ 52, 478.82
5.	IPMC LIMITED	LOT 3	\$ 3, 140.63
6.	MEGAHERTS SYSTEMS	LOT 3	GHC 16,941.15

No.	LPO/Contract No.	Date	Description	Supplier	Contract Sum (GH¢)	Status of Delivery
1	MiDA/COMPACT 2/031	21 st April 2016	Shredder Rexel (Auto Plus) 250X	Kingdom Books & Stationery	6,040.00	Delivered
2	MiDA/COMPACT 2/032	21 st April 2016	Office Stationery	Sly-Laudeesco Enterprise	5,526.00	Delivered
3	MiDA/COMPACT 2/033	6 th May, 2016	Orthopedic Chair	Expert Office Furnish Co. Ltd.	5,555.40	Delivered
4	MiDA/COMPACT 2/034	17 th May, 2016	Printing of MiDA Brochures	Buck Press Limited	2,438.13	Delivered
5	MIDA/LPO/Lot2/01	8 th June, 2016	HP Toners	IT Market Ltd.	7,505.00	Delivered
6	MIDA/LPO/Lot1/01	16 th June, 2016	Stationery Items	All Brothers Books and Stationery Ltd.	7,134.05	Delivered
7	MIDA/LPO/Lot2/02	17 th June, 2016	HP Toners	IT Market Ltd.	5,069.92	Delivered
8	MIDA/LPO/Lot3/01	17 th June, 2016	Ricoh Toners	*IPMC	4,385.99	Not yet Delivered
TOTAL CONTRACT SUM					43,654.49	
Approximately (USD1 = GHS3.78)					USD11,548.81	

Annex II: Summary of LPOs signed during the 2nd Quarter (April - June, 2016)

Annex III: On-going procurements

Contract ID	Description	Category	Method	Status	Projections
Project Procurement					
5320300/RF P/QCBS/03/16	Selection of Consultant for Tariff Study and Tariff Plan	Consultancy	QCBS	SPN was published on 21 March, 2016. So far 28 requests had been made for the RFP.	Received Technical & Financial Proposals on 29 April, 2016. Opened technical proposals same day and time and evaluate technical proposals.
1200102	Project Management Consultant (PMC)	Consultancy	QCBS	TOR currently with MCC for formal clearance.	Prepare RFP and submit to MCC for no objection. Publish RFP and receive proposals from prospective Consultants.
1200105	Data Center and Communications Network Design Consultant	Consultancy	QCBS	Final draft under review by COO before submission to MCC for clearance.	Prepare RFP and submit to CEO for approval. Publish RFP.
3100101	Capacity Scan for EC and PURC	Consultancy	QCBS	Awaiting MCC Technical and Procurement to discuss options and advise MiDA on the way forward.	Prepare RFP for approval. Publish RFP.
Programme Administration & Oversight					
81001089/L OI/CQS/3/16	Selection of External Legal Counsel	Consultancy	CQS	SPN published on 14 March, 2016. Four firms have requested the Letter of Invitation.	Expressions of interest received on 22 April, 2016. Evaluate EOIs and there is need to invite highest –ranked firm for negotiations and signing of contract.
Government of Ghana Procurement (ECG PSP)					
	ECG PSP	Concession	QCBS	Request for Proposals	Issue RFP to shortlisted firms, Organize pre-proposal conference.

