



**MILLENNIUM DEVELOPMENT AUTHORITY
(MiDA)**

GHANA COMPACT II

Quarterly Progress Report

April – June 2017

Ghana Compact II Theme

***"Powering Ghana for Accelerated and Sustainable
Economic Growth"***

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GLOSSARY OF ABBREVIATIONS

BCS	Bid Challenge System
CAP-Scan	Capacity Scan
CIF	Compact Implementation Funding
CP	Condition Precedent
ECG	Electricity Company of Ghana Ltd
EEDSM	Energy Efficiency and Demand Side Management
EPA	Environmental Protection Agency
ESMS	Environmental and Social Management System
ESH	Environment Social and Health
ESP	Environmental and Social Performance
GFP	Gender Focal Person
GIFMIS	Ghana Integrated Financial Management System
GIS	Geographic Information System
GoG	Government of Ghana
GSI	Gender and Social Inclusion
IE	Implementing Entity
IEA	Implementing Entity Agreement
IFC	International Finance Corporation
IPM	Integrated Planning Model
IPP	Independent Power Producer
IRRP	Integrated Resource & Resilience Plan
ITT	Indicator Tracking Table
IWD	International Women's Day
MCC	Millennium Challenge Corporation
M&E	Monitoring and Evaluation
MiDA	Millennium Development Authority
MoEd	Ministry of Education
MoF	Ministry of Finance
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
NEDCo	Northern Electricity Distribution Company Ltd
NFOT	NEDCo Financial and Operational Turnaround
PIA	Program Implementation Agreement
PMC	Program Management Consultant
PSP	Private Sector Participation
PURC	Public Utilities Regulatory Commission
PUWU	Public Utility Workers Union

RAP	Resettlement Action Plan
RfP	Request for Proposals
SGIP	Social and Gender Integration Plan
TA	Technical Assistant
TOR	Terms of Reference
TP	Tariff Plan
USAID	United State Agency for International Development
VRA	Volta River Authority

EXECUTIVE SUMMARY

Introduction

This Progress Report covers the period from April 1 to June 30, 2017 and captures activities undertaken by the Millennium Development Authority (MiDA) toward the implementation of the Compact Program. These include activities related to the following:-

1. Preparation towards the Fourth Disbursement of Program Funding
2. Program Activities which include:
 - Distribution Projects
 - Generation Projects
 - Environment and Social Performance (ESP)
 - Gender and Social Inclusion (GSI)
3. Monitoring and Evaluation
4. Communications and Outreach
5. Procurement
6. Financial Management
7. 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.

Highlight of Previous Quarter Activities

During the previous quarter which marked the 2nd quarter of Compact Activities, MiDA achieved significant progress particularly meeting the Condition Precedents (CPs) to the third disbursement of Program Funding. The following indicates some of the major activities accomplished:

- MiDA completed the evaluation of the tender for the GIS Project and forwarded the report to MCC for no objection
- MiDA concluded negotiation with the selected bidder, Messrs. SMEC International for the Program Management Consultant. SMEC International was also recommended for award of contract for the Streetlight Replacement Consultancy services. However, negotiations broke down and MiDA obtained MCC approval to repackage the assignment and retender
- MiDA concluded negotiation with the selected Bidder for the Cap-Scan Activity.
- MiDA received bids, conducted evaluation and selected a winning bidder for the Upgrade of the Data Center and Communication Network Consultancy Activity. MiDA also successfully concluded negotiation with the selected bidder
- The Access Project Consultant completed Phase II of the project design assignment which included on-site field survey, infrastructural audit and institutional assessment

- MCC Investment Committee approved the redesigned NEDCo Project
- MiDA organized a workshop for both local and foreign bidders hoping to participate in future tenders. The workshop was to orient the prospective bidders on MiDA/MCC Procurement Guidelines and Procedures to enable them participate effectively
- MiDA signed contracts with six (6) Independent Reviewers who were selected and approved to serve as arbiters if any MiDA procurement action is challenged
- MiDA held an outreach program at the Maamobi and Nima Markets to mark the International Women's Day (IWD) on March 08, 2017
- MiDA developed and started implementing a government relation strategy. The goal of the strategy was to position MiDA and Compact II programs positively in the minds of key stakeholders through effective strategic engagement with the new leadership in Government.

Highlights of Reporting Quarter (3rd Compact Quarter) Activities

During the reporting period, the Compact achieved significant milestones. Below is a summary of these major milestones:

- MiDA held the First Bidders' Conference for the ECG Private Sector Participation Transaction
- Physical Data room was opened to the selected bidders for the ECG-PSP Activity
- MiDA signed a contract with Messrs. SMEC International for the Program Management Consultancy services.
- MiDA duly executed a contract with Messrs. CRISIL on the Cap-Scan Activity.
- MiDA engaged a Consultant for the Datacenter and Communication Network Upgrade Activity
- MiDA received approval from MCC and MiDA Board on the Procurement Plan No.2
- MiDA held a workshop for prospective Consultants and Contractors who had expressed interest in participating in future bids
- MiDA completed the Indicator Tracking Table (ITT) for the previous quarter (January-March 2017), which was a requirement for disbursement of Compact funds.
- MiDA issued the RfP, received bids and completed the Technical Evaluation for the Technical Advisors (TAs)
- MiDA issued a Notification of Contract Award to Messrs. Hexagon on the GIS Implementation activity
- MiDA received approval from MCC on the Social and Gender Integration Plan (SGIP). The SGIP was a CP to the second Disbursement of Program Funding. With the approval, MiDA has met this particular CP

Critical Issues/Risks

The following were critical issues which required some attention during the 3rd Compact Quarter:

- A Significant risk to the Compact remains the Public Utility Workers Union (PUWU's) opposition to the PSP. MiDA will need to work with the Government and the Union to ensure cooperation from them
- MiDA requires ECG support to enhance a smooth implementation of the Compact II activities especially on the ECG Financial and Operational Turnaround Project and the ECG-PSP Transaction.]
- MiDA implemented new measures approved by the Board to manage the International Financial Corporation (IFC) related Conflict of Interest (COI). MiDA will be monitoring this risk to ensue that it does not crystalize and derail the Transaction.
- MiDA's relationship with some Implementing Entities was critical for their cooperation and commitment to the success of the Compact Program. MiDA continues to work on these relationships
- MiDA needed ECG Management and PUWU's permission to engage directly with ECG staff and Union members. MiDA will continue to push for direct engagement with ECG staff

Projections for 4th Compact Quarter

The following have been planned for completion in the 4th Quarter of Compact Activities. By the end of the quarter,

- Second Bidders Conferences shall have been held for the selected bidders on the ECG Private Sector Participation (PSP) Transaction
- All remaining IEAs that are CPs to disbursements of Program Funding shall have been completed and signed. The IEAs includes that of Lands Commission, PURC, NEDCo, and VRA
- Contract for Geographic Information System (GIS) and Technical Advisors (TAs) for ECG shall have been signed and project implementation underway
- RfP for Street-lighting Replacement Consultancy shall have been re-launched
- The Access Project Design Consultant shall have completed the Phase III of the services which include the Preliminary/Detailed designs of the Markets and Economic Enclaves
- The RfP for Institutionalizing Gender Responsiveness shall have been issued
- MiDA shall have issued RfP for the Resettlement Action Plan (RAP) Consultancy and Environment, Social, and Health (ESH) Consultancy

GHANA COMPACT II

1.1 INTRODUCTION

On 5th August 2014, the Millennium Challenge 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. \$37.4 million).

Following the signing of the Compact and having met certain Conditions Precedent (CPs) to Compact 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. MiDA worked hard to achieve Entry into Force in September 2016. In this reporting period which marks the Third Quarter since Entry Into Force, key activities related to the following were undertaken:

- Preparations towards Fourth Disbursement of Program Funding
- Program Activities
 - Distribution Projects
 - Generation Projects
 - Environment and Social Performance (ESP)
 - Gender and Social Inclusion (GSI)
- Monitoring and Evaluation
- Communications and Outreach
- Procurement
- Financial Management
- Legal and Governance

1.2 Preparation towards Fourth Disbursement of Program Funding

In accordance with the Compact and the Program Implementation Agreement (PIA), MCC will disburse Funding for Program implementation subject to the satisfaction of all applicable Conditions Precedent. MiDA on behalf of Government worked diligently towards

completing and keeping on track the following Conditions Precedent to the Fourth Disbursement of Program Funding.

The table below summarizes the status of these CPs.

Status of CPs to fourth Disbursement of Funding

Condition Precedent to Disbursement of Fourth Funding	2nd Compact Quarter Status	3rd Compact Quarter Progress
The Government had implemented the Quarterly tariff adjustments in accordance with the existing automatic tariff adjustment since the Compact entered into Force	On Track	On Track
Each of the Key Staff has been engaged, or if a position is vacant, MiDA is actively engaged to MCC's satisfaction, in recruiting a replacement	Satisfied	Satisfied
The Government must not have engaged in actions inconsistent with the Eligibility criteria for MCC Funding	Satisfied	Satisfied
Government has substantially complied with Electric Distribution Utility Payment Action Plan	Government was in Arrears	Satisfied
MiDA must have ensured that the Implementation Plan Documents and Fiscal Accountability Plan are current and updated and are in form and substance satisfactory to MCC	On Track	On Track
MiDA must have ensured that all Government entities involved in the implementation of the Program, including the Implementing Entities are coordinating successfully with MiDA.	On Track	On Track
Implementing Entity Agreement signed with PURC	Pending	Pending

2.1 PROGRAM ACTIVITIES

The Compact Program seeks to address identified challenges in Ghana’s Power Sector by providing an overall framework for strengthening the Ghana electricity distribution system. This will be achieved by helping the Electricity Company of Ghana (ECG) and Northern Electricity Distribution Company (NEDCo) reduce their technical and commercial losses and attract needed investment. The Compact will also provide technical assistance in the areas of corporate governance, technical capacity of sector regulators, and integration of gender activities into the operation of relevant sector agencies. The expected outcome for the Compact program is to provide modernization to these distribution companies and capacity building within the generation institutions in Ghana and to present the distribution companies as credible off-takers for prospective Independent Power Producers (IPPs). MiDA has achieved significant progress in respect of all activities related to the six (6) Projects as indicated below.

2.2 Distribution Projects

The Power Distribution Sector Projects consist of the ECG Financial and Operational Turnaround (EFOT) Project, the NEDCo Financial and Operational Turnaround (NFOT) Project and the Access Project. Progress made in these areas during the reporting period is summarized in the table below.

Status and Progress of Ongoing Program Activities

Project	2 nd Compact Quarter Status	3 rd Compact Quarter Progress
Distribution Projects		
ECG PSP Transaction	<p>MiDA had called off the first bidders’ conference following the launching of the RfP for the ECG-PSP Transaction Activity.</p> <p>MiDA continued to conduct due diligence on Shortlisted Applicants until a new date was scheduled for the first bidders’ conference</p>	<p>MiDA successfully held the first bidders conference in Accra. All but one (1) of the six (6) Shortlisted Applicants participated fully in the conference</p> <p>Bidders had the opportunity to visit some of ECG’s sites including the physical data room.</p>

<p>Geographic Information System (GIS)</p>	<p>Bid evaluation report had been submitted to MCC for No Objection</p>	<p>MCC approved the evaluation report which selected Messrs. Hexagon as the winning bidder.</p> <p>MCC also approved the draft Contract document to allow for Contract Signing</p>
<p>Upgrade of Data Centre & Communication Network</p>	<p>MiDA concluded contract negotiation with the successful bidder and forwarded a draft contract to MCC for No Objection</p>	<p>MiDA received MCC No Objection and MiDA Board approval and executed the contract with the selected bidder</p> <p>The Consultant commenced works on the contract and submitted Inception Report which was reviewed and approved by MiDA</p>
<p>Program Management Consultant (PMC)</p>	<p>MiDA successfully concluded the Contract Negotiation with the selected consultant (SMEC).</p> <p>Messrs AZOROM/SWECO filed a bid challenge protest against the intended contract award. MiDA reviewed and dismissed the protest, which attracted an appeal from the bidder.</p> <p>In accordance with the MiDA Bid Challenge System, MiDA constituted the Appeal Panel. The Panel had not submitted its report by the end of the quarter</p>	<p>The Appeal Panel concluded its work and dismissed AZOROM/SWECO's appeal.</p> <p>MiDA duly executed a contract with SMEC.</p> <p>The Consultant submitted its Inception Report during the quarter</p>

<p>Technical Advisors of ECG (TAs)</p>	<p>MiDA continued to develop the RfP for launching</p>	<p>MiDA completed and issued the RfP, received and evaluated proposals, and submitted Technical Evaluation Report to MCC for No Objection</p>
<p>Redesign of the NEDCo Financial and Operational Turnaround Project</p>	<p>MCC approved the Redesign NFOT Project. A Draft Implementation Letter was submitted by MCC to support the decision and was under MiDA's review.</p>	<p>MiDA and MCC executed the Implementation Letter on the NEDCo redesigned project. MiDA completed drafts of the NEDCo & VRA IEAs and shared with the respective IEs for reviews and negotiation</p>
<p>Design of the Access Project</p>	<p>CH2M/NRECA had completed the Phase II of the assignment which included the On-Site field Survey, the Infrastructural Audit and Institutional Assessment. The consultant was yet to submit the final report.</p>	<p>The consultant submitted the final report for the On-site field survey, the Infrastructural Audit and Institutional Assessment which received some comments; the comments were resolved. The Consultant commenced the Phase III of the assignment</p>
<p>Strengthening the Loss Control Units (LCU) of ECG</p>	<p>This activity had not commenced by the end of the quarter</p>	<p>MiDA prepared and issued the bidding document (with four (4no) lots) to procure tools and equipment intended to enhance and strengthen the activities of the LCU of ECG.</p>

2.3 Generation Projects

The Generation Sector Projects consist of the Energy Efficiency and Demand Side Management Project (EEDSM), Regulatory Strengthening and Capacity Building Project, and the Power Generation Sector Improvement Project. Progress made in this area during the reporting period is summarized in the table below:

Status and Progress of Ongoing Program Activities

Project	2 nd Compact Quarter Status	3 rd Compact Quarter Progress
Generation Project		
Tariff Study and Tariff Plan	<p>Following Contract signing, Messrs. Fichtner submitted a Draft Inception Report to MiDA for review and comments.</p> <p>Both MiDA and PURC agreed on the final comments and forwarded same to Messrs. Fichtner for redress.</p> <p>Inception report approved</p> <p>The Consultant commenced survey works in the Kumasi area including the testing of survey questionnaires.</p> <p>MiDA obtained a draft copy of PURC's Rate Setting Guidelines for Electricity Distribution Utilities and Electricity Retail</p>	<p>In consultation with PURC, Fichtner revised the workplan to include public consultation which was agreed to be conducted as and when major deliverables were achieved.</p> <p>Fichtner requested for an advanced part-payment on the Interim Report deliverable. The request was under review.</p> <p>Robert Anderson's (MCC Technical Lead on the RS&CB Project – Tariff Review) undertook a mission to discuss among other things the definition of requirements for the Regulatory Partnership Programme (RPP).</p>
Cap-Scan	<p>MiDA concluded Contract negotiation with the selected bidder and received approval to award contract from the MiDA Board.</p>	<p>MiDA and Messrs. CRISIL duly executed a Contract between them on April 10, 2017. Subsequently, the CAP-Scan was launched by the Minister for Energy,</p>

		CAP-Scan expert, Larry Cooley, and the consulting team
Sector Planning and IPP Framework	A Workshop was held for Stakeholders to discuss the selection of the appropriate Integrated Planning Model (IPM) tools for the Integrated Resource and Resilient Plan (IRRP).	MiDA continued to collaborate with ICF and USAID on this activity.
Street lighting	<p>The RfP was launched, bids opened, and evaluation completed.</p> <p>The Price quoted by the Selected Bidder Messrs SMEC was about 160% over and above the allocated budget. MiDA and SMEC were unable to reach agreement.</p> <p>MiDA and MCC agreed to revise the ToR and re-launch a new RfP.</p> <p>MiDA continued to revise and finalize the ToR/RfP for re-launching</p>	MiDA continued works on the revision of the RfP for re-launching

2.4 Environment and Social Performance

The Compact requires that all projects are implemented consistent with the MCC Environmental Guidelines, the International Finance Corporation Performance Standards on Environmental and Social Sustainability, and Ghana’s laws, regulations, licenses, and permits. MiDA is therefore mandated to ensure such compliances.

Following the approval of ECG Environment, Social, Health, and Safety (ESHS) Staff capacity assessment report, MiDA engaged with ECG to develop an Action Plan to address the identified gaps and recommendations in accordance with the report. MiDA continued to engage with ECG Compact steering committee to get ECG management to commit to the Action Plan items, timelines and resources for implementation of the findings of the Health, Safety and Environment Capacity Assessment.

MiDA and ECG collaborated to develop an acceptable Environment and Social Management System (ESMS) for ECG. The draft package has been shared with ECG and MCC for review and next steps. The ECG ESMS is a CP for Program Funding for all works contracts under the EFOT Project.

There had been some measure of delays in recruiting a RAP and ESH Consultant. MiDA continued to engage with MCC to agree in the development of an illustrative assignment which would serve as an element of the TOR for the RAP RFP. Due to this delay, MiDA received an approval from MCC to allow SMEC to recruit a Resettlement Specialist to support SMEC's efforts in planning for effective resettlement for infrastructure related activities. This recruitment will address the delays associated with the procurement of the RAP consultant. The proposal was communicated to SMEC who had also commenced the process to engage the services of the specialist.

2.5 Gender and Social Inclusion

To maximize the positive social impacts of the Projects, MiDA is expected to satisfactorily conform to MCC Gender Policy by addressing social and gender issues including human trafficking, child and forced labor, and HIV/AIDS etc. MiDA continued with activities to support Projects and cross-cutting departments to integrate gender and social inclusion (GSI) into ongoing activities.

MiDA received an approval on the SGIP on the June 27, 2017. This major milestone paves way for other activities such as the SGIP training. The training is planned for Mid-September.

MiDA convened an inaugural meeting of the Gender Working Group (GWG) on Tuesday May 30, 2017 at the MiDA Board room. There were fifteen representatives from Implementing Entities (IEs,) Civil Society Organization (CSOs) and individual gender experts. The meeting provided an opportunity for the group to understand the context for the establishment of the Gender Working Group; the Gender and Social Inclusion Issues in the Power Compact, as well as the specific activities under the Institutionalizing Gender Responsiveness in ECG and NEDCO. An official launch of the Gender Working Group was scheduled tentatively for July 2017.

3.0 MONITORING AND EVALUATION

MiDA Completed the Indicator Tracking Table (ITT) for Compact Qtr. 2 (January-March 2017), which was a requirement for disbursement of Compact funds. The ITT is a report that tracks progress on the indicators included in the M&E Plan. The indicators are quantitative or qualitative variables that measure achievement of the interventions under the Compact.

MiDA received MCC's informal approval in December 2016 on the Semi-Annual Review Guidelines, a Condition Precedent. However, MiDA had to revise it based on comments from the MiDA Board. The revised draft was forwarded to the MiDA Board.

4.0 COMMUNICATIONS AND OUTREACH

MiDA continued to implement the government relations strategy developed in January 2017. The goal of the strategy was to position MiDA and Compact 2 positively in the minds of key stakeholders through effective strategic engagement with the new leadership. The strategy involved sharing of factual information about the ECG PSP Transaction with identified stakeholders, gauging the opinion of the identified stakeholders and identifying emerging issues and new stakeholders to engage for the effective implementation of the transaction process and other critical Compact activities.

As part of the strategy, MiDA engaged with key decision-makers such as President J A Kufour, Chief of Staff, Ministers of Finance, Ministers of Trade & Industry, Minister & Deputy Minister of Energy, American Chamber of Commerce (AMCHAM), and traditional leaders such as Okyenehene.

MiDA held meetings with executives of the VRA & NEDCo on the NFOT Redesign Project, assisted the Energy Minister to launch the Capacity Scan Activity, and inaugurated the ECG PSP Stakeholder Committee.

MiDA's Director/Communication and Outreach accompanied a Ghanaian delegation to the UK-Ghana Trade and Investment Forum. She gave a presentation on the Ghana Power Compact and the various procurement opportunities under the Compact Program. During the reporting period, MiDA also met with the newly constituted Council of State. The engagements sought to introduce members to the various activities and projects under the Compact II program. The members of the Council of State requested for another engagement for which a date and time was yet to be determined.

The MiDA CEO made a couple of TV appearances and granted some radio interviews on the Compact and MiDA's activities.

5.0 PROCUREMENT

The Procurement Directorate is required to ensure that the procurement of all goods, works, and services is in accordance with MCC's Program Procurement Guidelines. The Procurement directorate extensively worked together with the Procurement Agent (Messrs. Charles Kendall Partners), a consultant engaged by MiDA, to assist in providing technical support to MiDA Procurement. Procurement activities for the projects continued.

First Bidders conference was held with all five (5) shortlisted firms and other Stakeholders at Alisa Hotel, Ridge-Accra on May 10th, 2017. Site visits were carried out with Bidders subsequently. Second Pre-Bid Meeting was expected to be held in August, 2017

MiDA Procurement organized a second workshop on May 30th, 2017 for both local and foreign bidders anticipating to participate in future tenders. The objective of the workshop was to orient the prospective bidders on MiDA/MCC Procurement Guidelines and procedures to enable them participate effectively.

Following the receipt of final approval for Compact Procurement Plan [No.5] for the period. April 1, 2017 to September 30, 2017 from MiDA Board and MCC, a General Procurement Notice was issued on April 20th 2017 in accordance with MCC Program Procurement Guidelines.

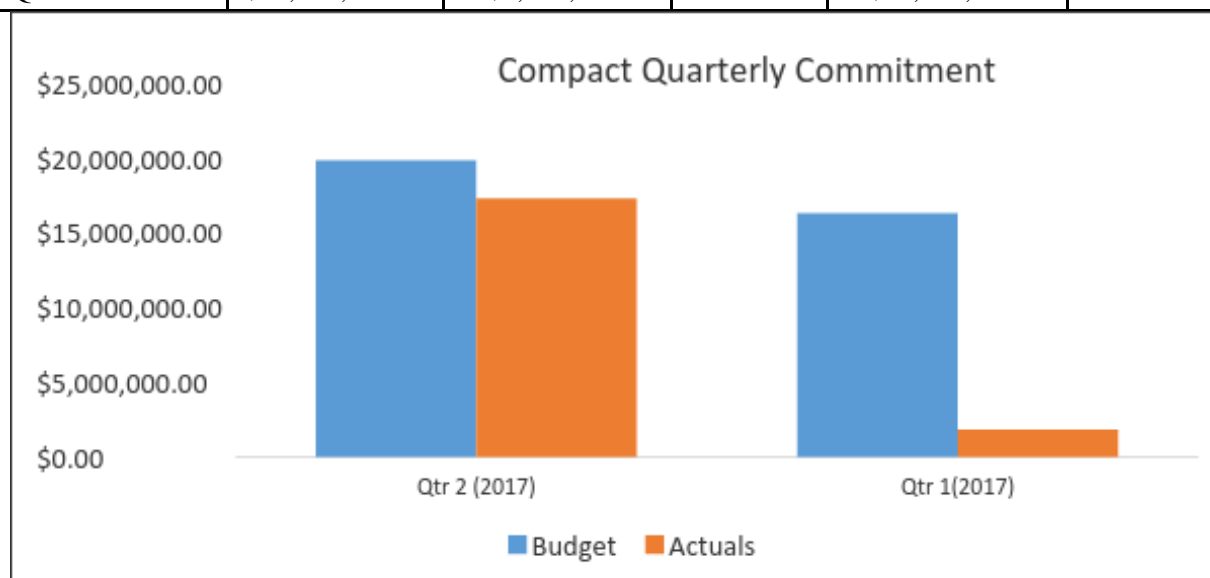
6.0 FINANCIAL MANAGEMENT AND ADMINISTRATION

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. \$37.4 million). The update on commitments and other related activities are as follows:

6.1 Commitment of Compact Funds

Figure 1

Qtr	Budget	Actuals	% Variance	Cumulative Commitments	% Compact Funds
Qtr 3	\$19,874,051.00	\$17,308,420.00	12.9%	\$37,537,721.00	7.01%
Qtr 2	\$16,308,062.00	\$1,844,119.00	88.69%	\$20,237,899.00	3.78%



In this reporting quarter which marked the third Compact Quarter , MiDA observed a

significant improvement in its rate of commitment thereby scoring a variance of only **12.9%** between the actual commitment (**\$17,308,420.00**) and budgetary commitment (**\$19,874,051.00**).

MiDA achieved a cumulative commitment of **\$37,537,721** at the end of the third Compact quarter representing **7.01%** of the Total Compact Funds including GoG Contribution. These funds represented signed contracts and payments under the following four areas:

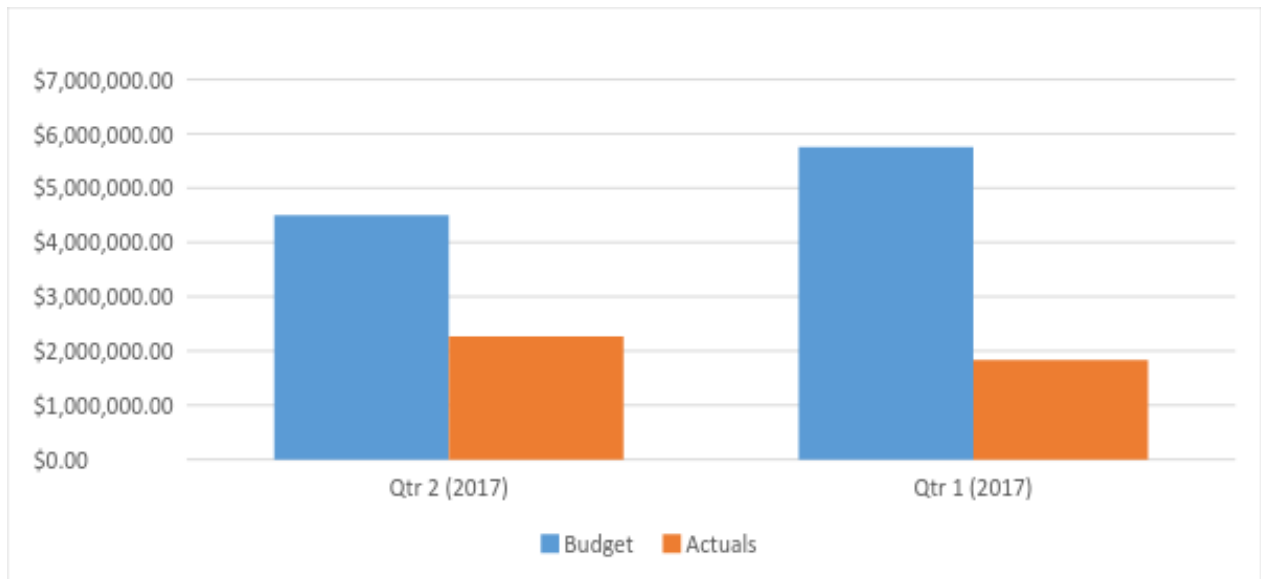
- The ECG Financial and Operational Turnaround (EFOT) Project,
- Monitoring & Evaluation,
- Regulatory Strengthening and Capacity Building
- Program Administration.

The signed contracts under the EFOT Project are for the ECG PSP Transaction Advisory Services and GIS information Systems Consultancy, Program Management Consultancy, Datacenter and Communication Network Consultancy. The signed Contract under M & E is related to the Data Quality Review Consultancy. The Program Administration portion is related to the SITA Corp and Iron Vine contracts for IT Services, Procurement and Fiscal Agent Services and SGIP Consultancy

6.2 Disbursement of Compact Funds

Figure 2

Quarter	Budget	Actuals	% Variance	Accumulated Amount from Inception to the End of Qtr	% Compact Funds	Disbursement Request for Next Qtr
Qtr 3	\$4,503,834.00	\$2,269,586.00	49.61%	\$19,961,540.00	3.73%	\$5,130,887.00
Qtr 2	\$5,758,623.00	\$1,832,869.00	68.17%	\$17,682,867.00	3.30%	\$4,503,201.82



In this reporting Quarter, a disbursement gap hovering around **49.61%** (As shown in Figure 2) was due to projected outlay for the Program Management Consultant (PMC), GIS Contractor, and the Tariff Study/Tariff Plan Consultancy which had seen some delays in implementation. The additional cumulative disbursements were related to the Set-Up of the office as well as payment for expenses related to the SAP Implementation, SGIP Consultancy, Fiscal Agents, and Procurement Agent. There were also payments under the ECG PSP Transaction Advisory Services and Data Quality Review Consultancy Services.

At the end of the 2nd Compact Quarter, a **68.17%** (shown in Figure 3&4) disbursement budgetary variance was related to projected outlay for the Tariff Study/Tariff Plan Consultancy which did not materialize due to delays in implementation. Also, a portion of the variance was due to the delay in signing the PMC contract and MiDA's subsequent inability to disburse in respect of that contract.

During the reporting quarter, the total cumulative disbursement was about **\$19,961,540.00 representing 3.73%** of total Compact Funds. The previous quarter's performance was **\$17,682,867.00 representing 3.3%** of total Compact Funds. The resulting increase in cumulative disbursement was therefore **12.89%**.

The Disbursement Request for the 4th Compact Quarter (*July-September, 2017*) amounting to **\$5,130,887.00** was submitted and awaiting approval by MCC.

6.3 Government Payment and Budgets

The Government of Ghana granted MiDA a budget allocation of GH¢5,037,500.00 Budget allocation towards Government contribution to the Compact for 2017. MiDA commenced the processes to capture the allocation in the Ghana Integrated Financial Management Information System (GIFMIS). This exercise eventually will lead to the issuance of payment warrant by

the Controller and Accountant Generals Department (CAGD).

6.4 Administration and Human Resources

There were seven (7) confirmations and seven (7) contract extensions outstanding. Contracts of 58 employees (representing 90% of the total staff strength) have been renewed for another year. MiDA has confirmed appointments of Fifty-Eight (58) employees (representing 96% of the total staff strength) and issued letters to them accordingly.

One staff member resigned her position during the reporting quarter.

Three (3) staff members from the M&E team attended a 10-day Data Management and Analysis training at ISSER. Some selected Management staff attended FIDIC training on both the (Red and Yellow Books) for a week and the IT Systems Administrator spent one week in the USA undergoing training with both Iron Vine and SiTA Corp (MCC Contractors)

7.0 LEGAL AND GOVERNANCE

Under the legal department, several legal issues were addressed during the fourth quarter. MiDA and MCC worked to finalize the NEDCo implementation letter which was issued on April 10, 2017 by MCC. The implementation letter provided modifications to the NFOT project.

All MiDA staff underwent the US Government Anti-fraud and corruption training. The training was conducted by MCC and the United States Office of Inspector General (OIG). The training touched on issues of conflict of interest, action for detection and prevention of fraud and the various policies applicable for dealing with issues related to fraud and corruption.

On May 02, 2017, the Coalition of Stakeholders on ECG Concession Arrangement (COSECA) issued a letter to the Minister for Energy on the ECG PSP Activity. On the basis of the content of the letter, the MiDA Board during its 14th Special meeting passed a resolution to meet with COSECA which is a Civil Society group requesting changes to the ECG PSP Transaction structure. On May 16, 2017, the MiDA Board and Management met at the Ministry of Energy together with COSECA to discuss the suggested changes from COSECA.

MiDA Management facilitated the Board Retreat on April 12, 2017 at the Holiday Inn Hotel, Accra. Board members reviewed the various components of the Compact and PIA documents as well as the responsibilities of the Board as per the Amended MiDA Bylaws. MiDA Board of Directors held its 15th Regular Meeting and the 14th Special Meeting on June 5, 2017 and May 10, 2017 respectively.

The reporting period also witnessed a number of lawsuits against aspects of the Compact. The case by Professor Agyeman Badu Akosah and four (4) others against the ECG-PSP of which the court ruled that MiDA was not a necessary party for the suit. The MiDA COO was called on to be a witness for the 1st and 2nd Defendants. At the close of the quarter, MiDA

COO was cross-examined by counsel for the Plaintiffs. The matter was adjourned to July 17, 18 and 25, 2017 for continuation of cross-examination

The case filed by Centre for Agriculture and Rural Development against MiDA and ACPC had stayed pending arbitration between parties.

The case by Marine Associated Limited against MiDA was settled. MiDA settled the debt owed to Marine Associates Limited. The settlement agreement as well as the Terms of settlement were executed by both parties and filed in court on June 19, 2017 as full and final satisfaction of the Plaintiff's claim.

The case by Edward Penu against Ghana Highways Authority & MiDA was also adjourned. This is due to the fact that the draft report by the Land Valuation Division was ready but had not been submitted to the technical committee at the Land Valuation Division for approval. The matter therefore was adjourned to facilitate the approval by the technical committee.

8.0 CRITICAL ISSUES

The following were critical issues which required some attention during the 3rd Compact Quarter

- A Significant risk to the Compact remains the Public Utility Workers Union (PUWU's) opposition to the PSP. MiDA will need to work with the Government and the Union to ensure cooperation from them
- MiDA requires ECG support to enhance a smooth implementation of the Compact II activities especially on the ECG Financial and Operational Turnaround Project and the ECG-PSP Transaction.]
- MiDA implemented new measures approved by the Board to manage the International Financial Corporation (IFC) related Conflict of Interest (COI). MiDA will be monitoring this risk to ensure that it does not crystalize and derail the Transaction.
- MiDA's relationship with some Implementing Entities was critical for their cooperation and commitment to the success of the Compact Program. MiDA continues to work on these relationships
- MiDA needed ECG Management and PUWU's permission to engage directly with ECG staff and Union members. MiDA will continue to push for direct engagement with ECG staff
- The Government has taken ownership of the Compact and especially the ECG PSP and has made notable pronouncements to the effect that it is committed to implementing the ECG PSP. MiDA must continue to provide Government with timely information to enable it continue its communication on the Compact

9.0 PROJECTIONS FOR NEXT QUARTER

The following have been planned for completion in the 4th Compact Quarter By the end of the quarter,

- MiDA shall have provided the missing component in the RfP for ECG-PSP being tariff methodology, Distribution and Retail Licenses to the Five (5) selected bidders.
- Second Bidders Conferences shall have been held for the selected bidders on the ECG Private Sector Participation (PSP) Transaction
- All remaining IEAs that are CPs to disbursements of Program Funding shall have been completed and signed. The IEAs includes that of Lands Commission, PURC, NEDCo, and VRA
- Contract for Geographic Information System (GIS) and Technical Advisors (TAs) for ECG shall have been signed and project implementation underway
- RfP for Street-lighting Replacement Consultancy shall have been re-launched
- The Access Project Design Consultant shall have completed the Phase III of the services which include the Preliminary/Detailed designs of the Markets and Economic Enclaves
- The RfP for Institutionalizing Gender Responsiveness shall have been issued
- MiDA shall have issued RfP for the Resettlement Action Plan (RAP) Consultancy and Environment, Social, and Health (ESH) Consultancy