



# MiDA NEWS

December, 2015



*The official newsletter for the Ghana Compact II*

Quarterly Newsletter Vol. 1 Issue 1



## Ghana Power Compact

Economic Growth and  
Poverty Reduction



**IN THIS ISSUE**

- Compact projects and cross-cutting activities
- MiDA Appoints IFC as PSP Transaction Advisor
- GoG issues REOI for PSP in ECG
- MiDA engages with Media Editors



# CONTENTS

|  |       |
|--|-------|
| Welcome Note.....  | 3     |
| MiDA celebrates the successes of Compact 1 and prepares for Compact 2..... | 4-5   |
| Compact 2 Projects & Cross-Cutting Activities.....                         | 6-13  |
| MiDA Presents Ghana Power Compact to SOVRAE.....                           | 13    |
| MiDA Appoints IFC as PSP Transaction Advisor.....                          | 14    |
| Second Policy Decision Makers workshop.....                                | 15-16 |
| Interview with MiDA CEO.....   | 17-18 |
| GoG issues RfEOI for PSP in ECG.....                                       | 19    |
| MiDA Board Meets ECG Board.....  | 20    |
| Media Editors Forum.....   | 21    |
| MiDA Visits Traditional Leaders.....                                       | 22-23 |
| MiDA Joins Africa Partner Pool.....  | 24    |
| MiDA Outdoors Redesigned Website.....                                      | 25    |
| M&EE Workshop.....   | 26    |
| SAP Training Workshop.....   | 27    |
| MiDA Participates in Invest in Africa Anniversary Event.....               | 27    |

# WELCOME NOTE



It is my pleasure to introduce this maiden edition of MiDA News, which will be the official newsletter for MiDA.

For the past four years, Ghanaians have grappled with inadequate and unreliable power

supply, a crisis which has lasted longer than those of the past. The crisis has been variously blamed on inadequate generation, a technically and financially weak distribution sector, and a regulatory regime that lacks transparency and consistency and which does not meet the needs of stakeholders. While attempts have been made in the past to address the challenges of the sector, the crisis has always returned with intensity and impact. This current crisis has been the most protracted, and the one with the greatest economic impact; numerous businesses have collapsed and many jobs have been lost. Perhaps there has never been any moment as crucial as this to make the investments and policy, regulatory, and structural reforms needed to ensure that Ghana's power challenges are addressed permanently.

The Ghana Compact II, also referred to as Ghana Power Compact, provides an opportunity for managers and policy decision makers in the power sector to work together at implementing reforms that will ensure that Ghana's economic growth is no longer impeded, as has been the case in these past years, by unavailable and unreliable power supply. This is because the Power Compact introduces interventions and mandates governmental actions that would address the root causes of inadequate and unreliable power in Ghana.

This Newsletter aims to share information, news, and insights on the Compact II projects, storying and documenting the journey towards improving Ghana's power sector and sharing the voices of various stakeholders. We welcome contributions and suggestions from readers to help improve future editions.

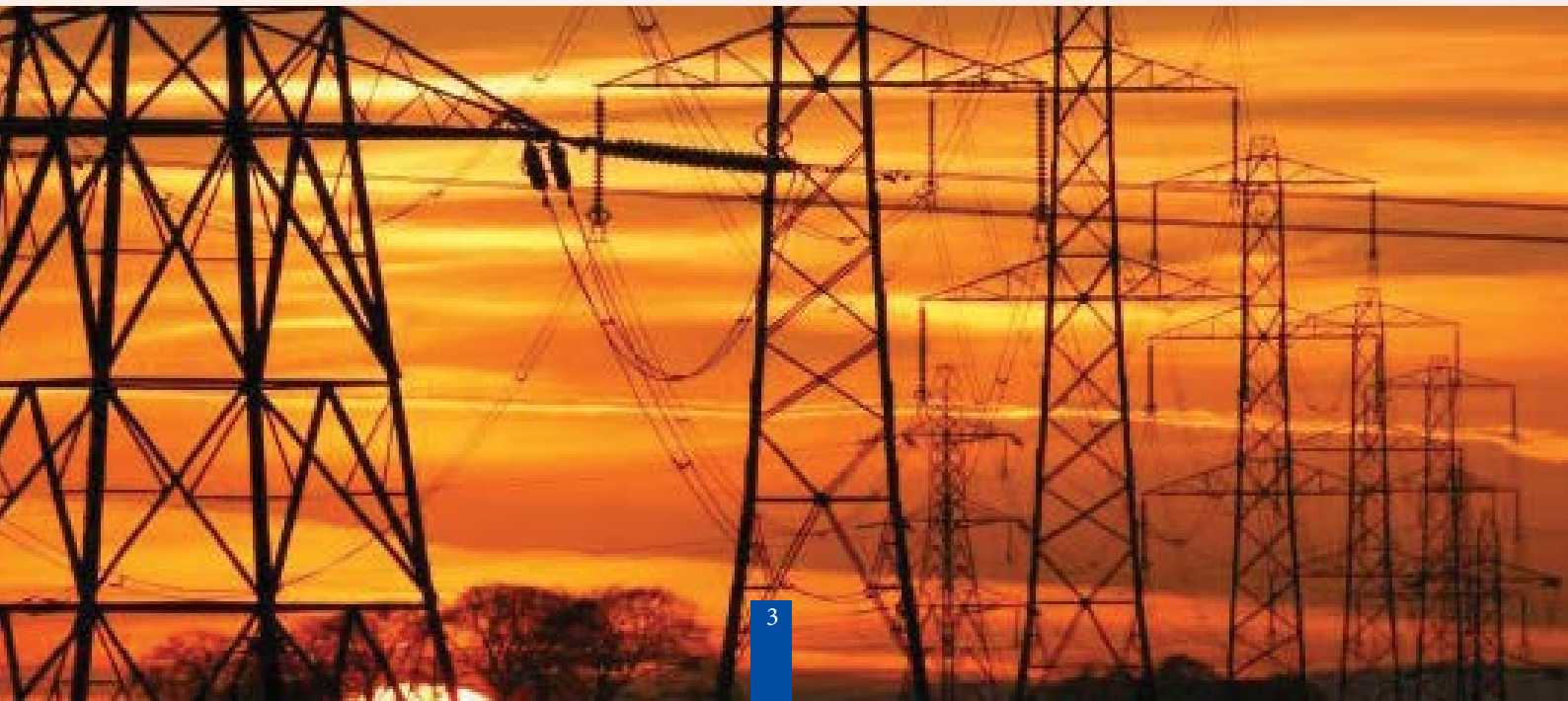
Please send contributions and suggestions to [newsletter@mida.gov.gh](mailto:newsletter@mida.gov.gh)

Thanks to the editorial team for putting together this maiden edition.

Best regards

Ing. Owura K. Sarfo

CEO, Millennium Development Authority



# MiDA AND MCC CELEBRATE THE SUCCESSES OF COMPACT 1



## AND LAUNCH PREPARATIONS FOR COMPACT 2

The joint institutions of the Millennium Development Authority (MiDA) and the Millennium Challenge Corporation (MCC) held a forum on June 26, 2015 at the Alisa Hotel, Accra, to celebrate the successes of Compact I, and launch preparations for Compact II. In 2003, Ghana was invited by the Government of the United States of America to present a proposal for the use of Millennium Challenge Account assistance to facilitate activities that would support economic growth and poverty reduction in Ghana. Ghana's proposal, submitted to the Millennium Challenge Corporation (MCC) in October 2005, utilised approximately US\$547.009 million grant funds to support the implementation of various projects. Compact I focused on applying the grant assistance to activities that would modernise the agricultural sector, increase farmer incomes, develop transportation infrastructure and enhance rural services. Notable results included significant return on investments in a transformed and competitive agricultural sector, speedy growth of the rural economy, and a lower incidence of poverty among small holder farmers.

This US\$498.2 million Ghana Power Compact II is the largest US Government transaction under Power Africa to date. This grant will be used to support efforts at creating a financially viable power sector that will meet the current and future needs of businesses and households in Ghana. The Government of Ghana will contribute US\$37.4 million. Total project funds will be US\$535.6 million.

The Compact II program comprises six projects: ECG Financial & Operational Turnaround Project, NEDCo Financial & Operational Turnaround Project, Regulatory Strengthening & Capacity Building Project, Access Project, Power Generation Sector Improvement Project, and the Energy Efficiency and Demand Side Management Project.

In attendance at the Forum were H.E. Former President J. A. Kufuor; Ministers of State including the Minister of State responsible for Development Authorities, Hon. Akwasi Opong-Fosu; the U.S. Ambassador to Ghana, represented by the Deputy Chief of Mission; the Resident Country Director of the MCC, Deidra Fair-James; and other senior

officials of the MCC. MiDA was represented by the Chairman of the Board, Professor Samuel Sefa-Dedeh; the Boards of Compact I & II; the Chief Executive-Officer of MiDA, Ing. Owura Sarfo; and Management and Employees. The Chairman of the Forum, Professor Kwesi Botchway, who is also the Board Chairman of the National Development Planning Commission (NDPC) and the Ghana National Gas Company (GNGC). Professor Botchway affirmed the Government of Ghana's commitment to Compact II, the Power Compact.

The Keynote address was delivered by Hon. Akwasi Opong-Fosu, who reiterated the point that at the heart of Compact II is a strong commitment from the Government of Ghana to implement reforms needed to transform the power sector and put it on a path to solvency and sustainability, ultimately creating a climate capable of attracting private investment.

The Chief Executive Officer of MiDA, Ing. Owura K. Sarfo, shared details of the roadmap in the preparations for Compact II. He assured the audience that preparations for Compact II were progressing well. Awards were presented to H.E. former Presi-

**The US\$498.2 million grant is intended to create a financially viable power sector that will meet the current and future needs of businesses and households in Ghana.**

dent J.A. Kufuor in recognition of his visionary leadership and immense contribution to the development and successful completion of the Ghana Compact I. Other award recipients were the Chairman of the MiDA Board during Compact I, Professor Samuel Sefa-Dedeh, who is also the Chairman of the Compact II Board; former MiDA CEO, Martin Eson-Benjamin; and former MiDA COO Matthew Armah. The Board and Management of MiDA presented an award to the MCC in appreciation of the immense role they played in the success of the Ghana Compact I.

The ECG Financial and Operational Turnaround Project consists of five Activities (listed below) that, taken together, are intended to:

1. Reduce implicit subsidies (created by losses, underpricing and under-billing)
2. Ensure that ECG runs on sound commercial principles to become creditworthy and serve as a credible off-taker under purchased power agreements.
3. Ensure that ECG recovers its costs and invests in maintenance and expansion without requiring regular financial support from the Government.

The ECG Financial and Operational Turnaround Project pursues a two-pronged approach – strengthening the governance and management of ECG by bringing in an Acceptable Concessionaire; coupled with infrastructure and foundational investments designed to reduce technical, commercial, and collection losses and improve service quality.

#### (i) Private Sector Participation Activity

The Private Sector Participation (PSP) Activity will bring in

- Additional investment urgently required to improve the infrastructure.
- Innovation and technology .
- Efficient capital expenditure to improve service delivery.

The PSP will be in the form of a Concession (of 20-25 years duration) during which the electric distribution

network and other assets of ECG would be leased to the Concessionaire and ECG becomes an Asset holding Company. At the end of the Concession, all assets will be transferred back to ECG.

Successful implementation of this activity will engender the following benefits to consumers:

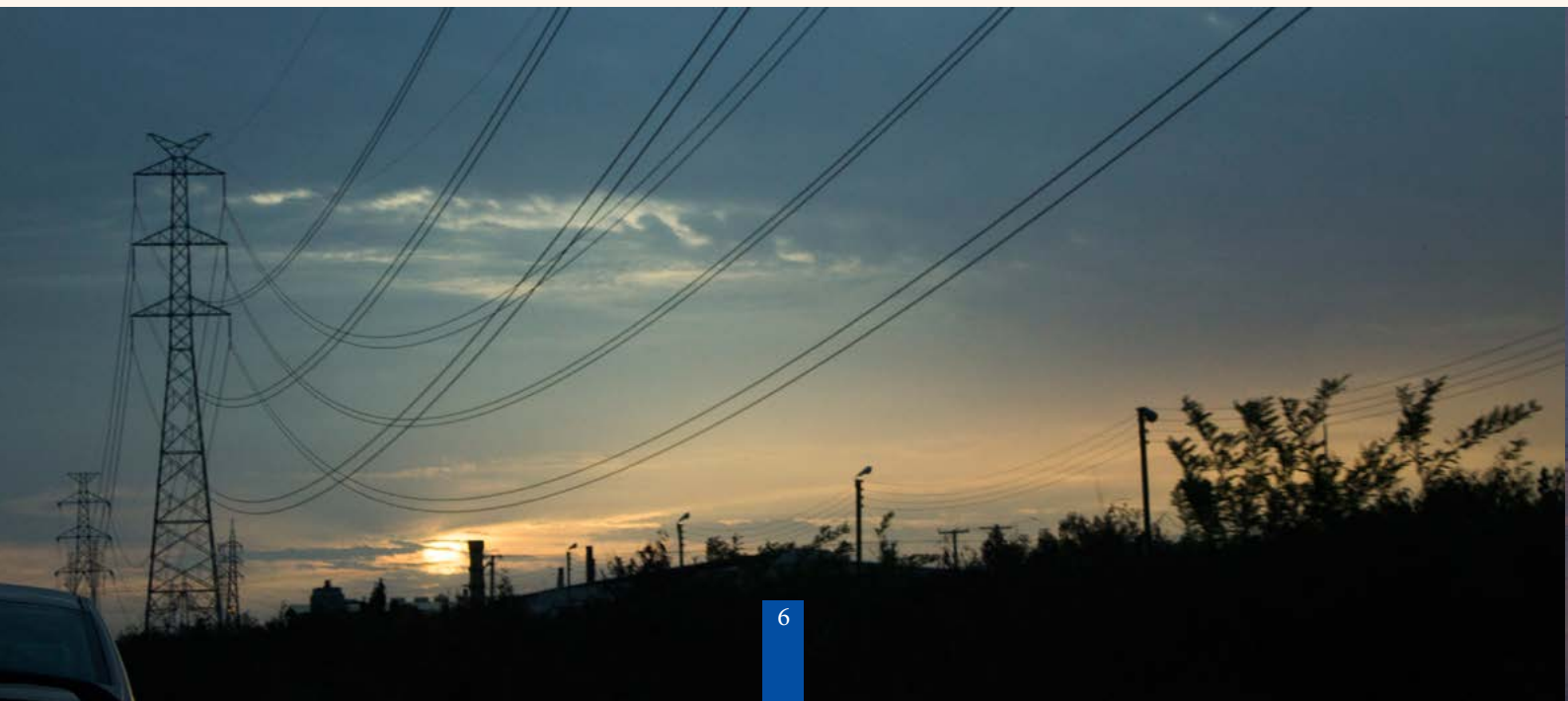
- Reliable power supply for domestic and industrial use.
- Lower cost of services resulting in relatively stable end-user tariffs.
- Improved transparency and independence in the setting of regulated tariffs by the PURC.
- Over the medium term, improvements in ECG's creditworthiness could facilitate the Company to acquire additional generation capacity from IPPs without, or with limited, recourse to government guarantees.

#### (ii) Modernizing Utility Operations Activity

The Modernizing Utility Operations Activity is designed to introduce modern tools to ECG, build the capacity of ECG's staff to use the tools, and provide a robust communication network for ECG. It also includes a number of interventions aimed at network improvements.

Successful implementation of this activity will benefit consumers as follows:

- Improved operational efficiency through the use of new and improved ICT technologies for data capture, planning and implementation of projects.
- Faster identification and resolution of technical challenges and improved customer satisfaction.



### **(iii) Reduction in Commercial Losses and Improvement of Revenue Collection Rates Activity**

ECG loses a significant amount of money each year because of theft, illegal connections, meter tampering and other irregularities which cause inaccurate count of the energy used by a consumer. Another significant loss of revenue arises from collection inefficiency, where energy used by consumers is not paid for. This activity, when successfully implemented, will reduce commercial and collection losses, and make more funds available to the power utility for continuous re-investment in the distribution infrastructure to meet energy demands.

### **(iv) Technical Loss Reduction Activity**

The loss of large quantities of energy in the existing electrical distribution network leads to huge losses in revenue for ECG, and deprives it of the much needed funds for re-investment in infrastructure. The interventions under this Activity will result in lowering the losses in distribution systems. It will improve the financial position of ECG.

### **(v) Outage Reduction Activity**

Outages cause ECG to lose money from unrealized electricity sales and undermine consumer confidence in the utility's ability to provide reliable service. The Outage Reduction Activity will improve service and increase sales.

## **COMPACT 2 PROJECTS & CROSS-CUTTING ACTIVITIES**

## **NEDCo Financial and Operational Turnaround Project**

**P**roject interventions proposed under the NEDCo Financial and Operational Project (NFOT) are identical to those discussed under the ECG Financial and Operational Turnaround Project (EFOT).

However, the Private Sector Participation in NEDCo will be in the form of a Management Contract instead of a Concession. Under a Management Contract, the Operator will be required to put in place improved systems for the day-to-day operations of the utility, including collection of revenues, and be paid an agreed fee by NEDCo.

The NEDCO Financial and Operational Turnaround Project, consists of activities intended to:

1. Reduce implicit subsidies (created by losses, underpricing and under-billing).
2. Ensure that NEDCO runs on sound commercial principles to become creditworthy, and serve as a credible off-taker under purchased power agreements
3. Ensure that NEDCO recovers its costs and invests in maintenance and expansion without requiring regular financial support from the Government.
4. Develop a plan for the separation of NEDCo from the Volta River Authority.



## Access Project

The Access Project is designed to provide safe, quality and reliable electricity in some selected markets, Economic enclaves and Social institutions such as schools and health facilities. The project upon completion is expected to increase the number of new connections in the identified targeted areas by reducing barriers to obtaining legal connections leading to an increased economic growth.

Several benefits of the Project are foreseen. They include:

### a) Security Improvement and Theft Reduction in Markets and Economic Enclaves:

The poor lighting systems in the selected markets and economic enclaves does not make it a safe environment to sell. The Compact seeks to provide security lighting systems within the selected market and economic enclaves to deter would-be burglars.

### b) Reliable of Power:

Many markets and economic enclaves experience low voltages, which prevent the efficient use of electrical equipment thereby slowing down

economic growth. The Compact will implement infrastructure projects which will improve the voltage within the selected market and economic enclave.

### c) Reduction in Power Theft:

Under the Access Project, all illegal connections in the targeted market and economic enclaves will be replaced with legal meters thereby reducing commercial losses in the selected market and economic enclaves.

### d) Increased the supply of electricity for new customers:

The Access Project will also streamline the acquisition of energy meters for new customers in the selected markets and economic enclaves.

### e) Institutional Strengthening:

As part of the project, effective stakeholder engagement with the Market Association, MMDA's and ECG/NEDCo will be promoted, to enhance cooperation among the parties.





**COMPACT 2 PROJECTS  
& CROSS-CUTTING ACTIVITIES**
**Regulatory Strengthening and Capacity Building Project**

The Regulatory Strengthening and Capacity Building Project is aimed at improving the regulatory and policy environment, and consists of two main activities:

**1. Sector Performance Monitoring Capacity Building Activity.**

This activity will provide capacity building to sector agencies in performance monitoring and service quality, and

**2. Tariff Review and Regulation Activity.**

This activity seeks to review and restructure the tariff to ensure a rigorous and responsive regulatory

environment as well as strengthening ratemaking and other regulatory processes through tariff studies.

Against the backdrop of the need for Ghana's Power Sector to be financially self-sustaining and less reliant on cross-subsidies, these activities will ensure a more transparent and responsive regulatory environment, which is key for sustainable national development. Utilities and investors will benefit greatly from good return on investment as result of economic and cost-reflective tariffs, which ultimately improves the financial health of the power sector.

**COMPACT 2 PROJECTS  
& CROSS-CUTTING ACTIVITIES**
**Power Generation Sector Improvement Project**

The Power Generation Sector Improvement Project will support measures aimed at opening up the Power sector and making it attractive to private investors for additional generation capacity. The objective is to increase availability, reliability and expansion of cost-effective power generation.

There are three sub-activities under this activity namely:

**1. Operationalize the "Gas to Power" Value chain Activity:**

This activity will provide essential technical assistance to the Government to establish a sustainable, market-oriented gas sector in Ghana so that gas can serve as the principal fuel source to meet the growing demand for electricity at least cost.

**2. Facilitate Liquefied Natural Gas (LNG) Development Activity:**

This activity will support Government efforts at developing LNG as a medium to long-term measure in order to address short-falls in gas supply

and to support the diversification of fuel for power generation.

**3. Strengthen Sector Planning and IPP Framework Activity:**

This will support the development of a clear and transparent IPP framework and an Integrated Resilience Resource Plan (IRRP). The IRRP which will allow the sector to conduct more effective strategic planning and also ensure the competitive procurement of future IPPs in a structured and on a cost effective basis.

Adequate and reliable fuel supply for powering the available thermal plants remains one of the most critical challenges facing Ghana's power sector today. The interventions under this project, including addressing the fuel challenge will increase private investor confidence in the power sector, ultimately resulting in the provision of adequate and reliable power supply, which will boost business and industry efficiency, increase productivity, create more jobs and accelerate economic growth.



Under this project, several policy initiatives and programs will be undertaken aimed at ensuring energy efficiency and conservation in the use of the available capacity. These activities are organized into four groupings:

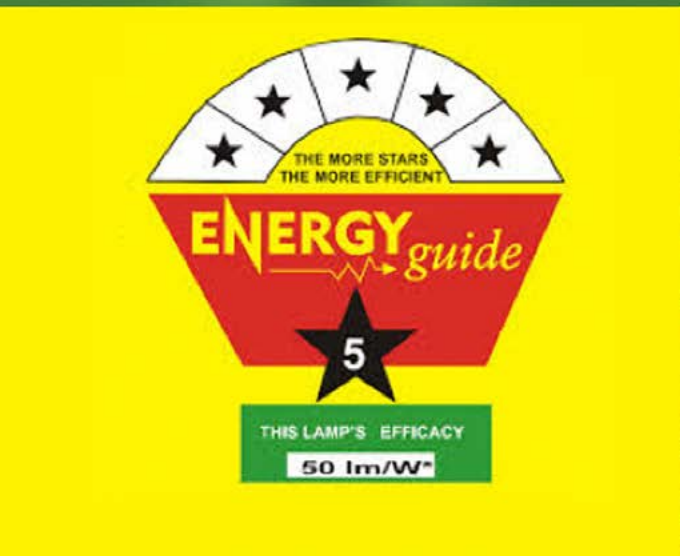
**1. Development and Enforcement of Standards and Labels Activity** – which will develop the regulation and enforcement for the use of higher efficiency appliances, aimed at saving overall energy consumption.

**2. Improved Energy Auditing Activity** – which will build national capacity in energy auditing through establishing training centres and implementing programs for evaluating energy consumption and determining ways to save and conserve energy.

**3. Education and Public Information Activity** - will sensitize the public about energy efficiency and conservation through behavioral change.

**4. Demand Side Management Infrastructure Activity** - which involves undertaking a pilot solar program and getting the public to use solar systems for addressing the high lighting loads, as well as installation of energy efficient street lighting to replace existing high energy consuming street lights.

The project will notably reduce peak demand, ensuring adequate supply for all and also reduce investments in expensive additional generation facilities to meet demand. Increase in customer knowledge and use of energy efficiency products will result in saving energy and money for households and businesses.



## COMPACT 2 PROJECTS & CROSS-CUTTING ACTIVITIES

## ENVIRONMENT & SOCIAL PERFORMANCE

The objective of the environmental and social performance of the Ghana Power compact is to develop, adopt and implement a set of good environmental and social management systems consistent with best practice. This is critical for ensuring smooth running of project activities and avoids delays. It safeguards the safety and security of workers and the inhabitants of the affected communities, ensures cost effectiveness of planned interventions, achieves the buy-in of all key stakeholders and promotes sustainable development of planned interventions. It is again required by law to ensure all compact funded projects and activities comply with the applicable national laws and regulations of Ghana.

To this end, MiDA shall ensure that all projects are developed and implemented consistent with the requirements of the following: Ghana's EPA laws and regulations (Act 490, 1994), applicable social and labor laws of Ghana, MCC environmental guidelines, MCC health and safety policy, MCC gender policy, and International Finance Corporation (IFC) performance standards on environment and social sustainability.

The project design will ensure that the principles of environmental and social soundness are adhered to at all times. This will be achieved by ensuring project design considers all possible alternatives with respect to the siting of power substations and routing of distribution lines. This will help minimize potential environmental, health and safety impact on affected communities and reduce cost with respect to economic and social displacement of project-affected persons. MiDA will ensure that closer and effective collaboration is promoted between MiDA and all relevant stakeholders at the project design stage.

Finally, Site-specific Environmental and Social Impact Assessments (ESIA) will be developed for all activities identified as having the potential to adversely impact on the environment. Subsequent to this, relevant, adequate and site-specific Environmental and Social Management Plans (ESMP), Resettlement Action Plans (RAPs), Health and Safety Management Plans (HSMP) will be developed and implemented to mitigate and monitor risk associated with infrastructural activities.

## COMPACT 2 PROJECTS & CROSS-CUTTING ACTIVITIES

## MONITORING & EVALUATION & ECONOMICS (M&EE)

A focus on results is at the heart of the Millennium Challenge Corporation (MCC) development model. As a result, Monitoring and Evaluation (M&E) is an important component of program design and is incorporated into all facets of MiDA's program. As with all MCA programs, the M&E work is guided by the MCC M&E Policy. For MiDA specifically, there is the M&E Plan which has been developed taking into account this Policy.

The overarching objective of MiDA M&E activities is to enhance the generation of good quality Monitoring and Evaluation evidence, which will be integrated into MiDA and MCC decision making processes to provide greater accountability and strong evidence based decision making and learning.

The monitoring of Projects is to determine whether Projects are on track to achieve their intended results, while the evaluation of implementation strategies is to provide lessons learned, determine cost effectiveness and estimate the impact of Compact interventions.

The monitoring involves working with project teams and the implementing entities (relevant Ministries, Departments and Agencies) to continuously and systematically collect data on specified indicators in the M&E Plan to provide indications of progress towards objectives and the achievement of intermediate results along the way. Evaluation of activities/projects are carried out by independent evaluators who are hired by MCC.

The Ghana Compact II recognizes that gender inequality is one of the major constraints to economic growth. Gender and Social Integration is therefore one of the key requirements for ensuring economic growth that effectively takes account of gender and social inclusion.

In Compact II, The Millennium Development Authority (MiDA) is ensuring equitable access to energy by using targeted approaches to take account of gender disparities in access to credit, land and information; affordable connection fee for vulnerable groups and women owned businesses; electrification of social infrastructure that offers high benefits to women; and promoting productive uses of energy for men and women. Through its partnership strengthening intervention MiDA will develop the capacity of trade associations, including market women associations to better engage in dialogue with their respective authorities and utility companies and voice their concerns.

#### Objectives:

The MiDA Gender and Social Inclusion Directorate is responsible for ensuring a gender responsive and socially inclusive electricity delivery. The Directorate's key areas of work are:

- Promoting consultation and engagement with women, vulnerable groups CSOs, CBOs, government institutions and the private sector.
- Ensuring gender responsive and socially inclusive project implementation
- Promoting institutional development of gender and energy organizations for improving gender and social inclusion practices, as well as advocating for change

in gender relations in the energy sector.

- Enhancing MiDA's gender responsiveness

The Compact requires the development of a Social and Gender Integration Plan (SGIP) to ensure systematic gender and social inclusion in Compact project and activities. It highlights particular social and gender-based constraints and risks across sectors that need to be mitigated, and identifies opportunities for enhancing benefits for women and potentially marginalized groups.

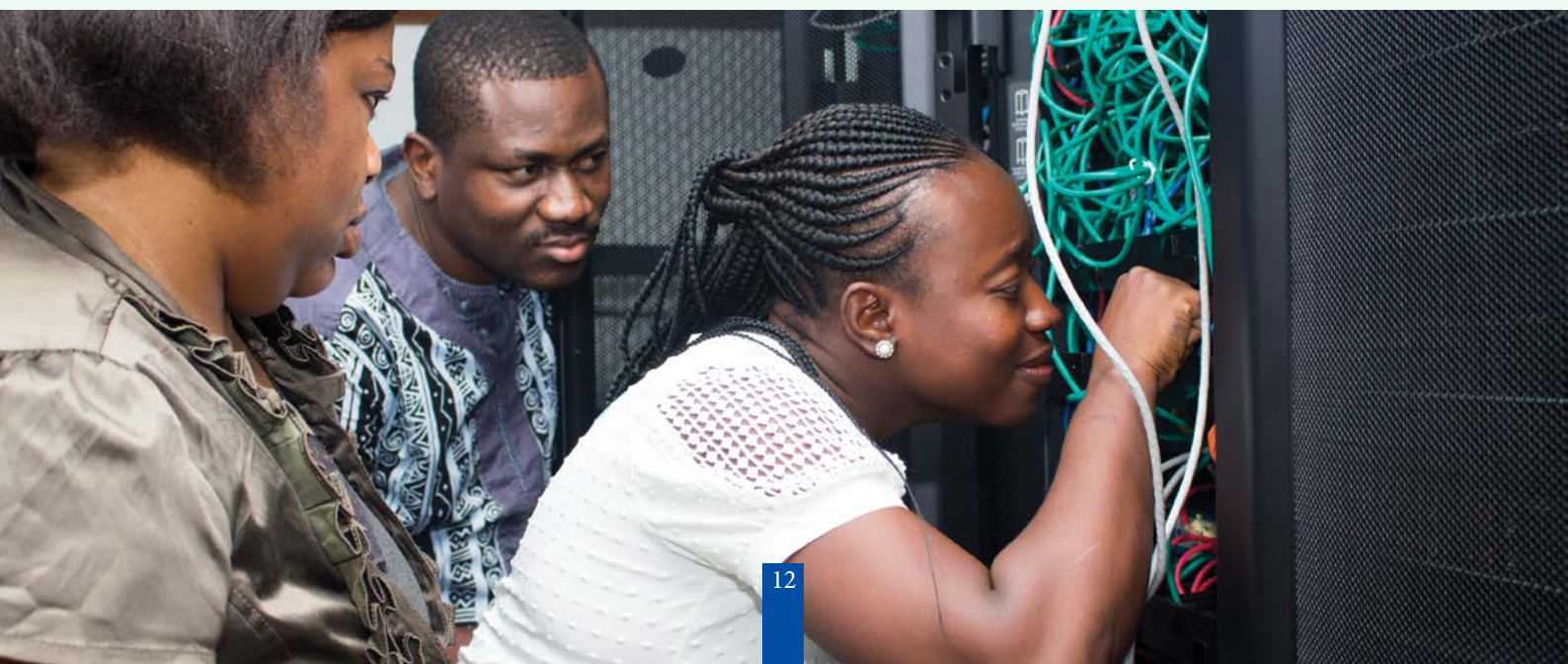
The SGIP has been developed to ensure systematic direction during the design, assessment, implementation, monitoring and evaluation of the Compact as a way of ensuring that women and men, including vulnerable groups, equally participate in and benefit from all Compact projects and activities. It also functions as a reference document for other sectors, Implementing Entities, Contractors, Consultants and Suppliers.

#### Benefits:

- Enhanced voice and agency of women and other disadvantaged groups /associations to demand for efficient and reliable electricity delivery.

The benefits of addressing gender and social inclusion in Compact II include:

- Improved personal security and reduction in violence against women, girls and other deprived groups.
- Safe and secure work environments, particularly in markets and economic enclaves.
- Increased employment opportunities for women and disadvantaged groups in the electricity /energy sector.



- Enhanced earning potential for women and men
- Raised earning potential for self-employment for women from increased lighting and access to electricity leading to improved social outcomes for men and women.
- Increased productivity of women's businesses through cost effective and reliable electricity supply.
- Greater recognition of women's contributions to the energy sector.
- Equal opportunities for women and men in the workplace, businesses and energy sector as a whole.
- Improved career opportunities for young women and men in the energy sector
- Unequal gender relations within the energy sector transformed for the benefit diverse groups of women and men.

- Improved governance and representation of women in in senior management positions in the energy sector.
- Full participation of women in the energy sector.
- Improved workplace environment.
- Efficient and effective organizations.
- Stakeholder satisfaction.

Ghanaians are encouraged to support Gender and Social Inclusion Activities at MiDA because our work contributes immensely to achieving a more socially inclusive and gender equitable society where poverty reduction will be attained through economic growth in Ghana.

## MiDA PRESENTS GHANA POWER COMPACT TO SOVRAE



Three officials of MiDA participated in a forum on power sector reforms organized by the Society of VRA Engineers (SOVRAE), in collaboration with the Ghana Institution of Engineers. The forum, held at the Kpong GS Conference Room in Akuse on December 3, was part of a two-day activities to commemorate this year's SOVRAEs annual meetings.

Mr. Mawunyo Rubson, Director Generation Projects led the delegation of MiDA officials, which also included Nana Gyasiwaa Addo, Power Generation Sector Improvement Project (PGSIP) Engineering Assistant and Frank Botchway (Communication and Web Officer). Mr. Rubson spoke on behalf of MiDA CEO Ing. Owura Sarfo, who had been slated as one of two main speakers for the event.

Mr. Rubson presented the Ghana Power Compact and explained the various reform activities envisioned under the projects.

## The Country Selection Process for MCC Assistance

For a country to be selected as eligible for an MCC assistance program, it must demonstrate a commitment to just and democratic governance, investments in its people and economic freedom as measured by different policy indicators as enumerated below:

### Ruling Justly:

1. Civil Liberties
2. Political Rights
3. Voice and Accountability
4. Government Effectiveness
5. Rule of Law
6. Control of Corruption

### Encouraging Economic Freedom:

1. Country Credit Rating
2. 1-year Consumer Price Inflation
3. Fiscal Policy
4. Trade Policy
5. Regulatory Quality
6. Days to Start a Business

### Investing in People:

1. Public Expenditures on Health as Percent of GDP
2. Immunization Rates: DPT3 and Measles
3. Public Primary Education Spending as Percent of GDP
4. Girls Primary Education Completion Rate

source: [www.mcc.gov](http://www.mcc.gov)

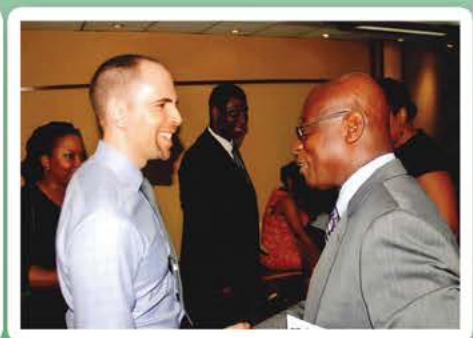
## MiDA APPOINTS INTERNATIONAL FINANCE (IFC) CORPORATION AS PSP TRANSACTION ADVISOR

The Millennium Development Authority (MiDA), in July 2015, signed an agreement to engage the International Finance Corporation (IFC) of the World Bank Group as the transaction advisor for the Private Sector Participation (PSP) activity in Electricity Company of Ghana (ECG). The PSP in ECG is one of five activities under the ECG Financial and Operational Turnaround (EFOT) Project in the Ghana Power Compact.

As transaction advisor, IFC is expected to (among others) conduct a due diligence of ECG and the PSP Transaction, and produce the tender document for a concessionaire to be chosen on international competitive basis. MiDA CEO, Ing. Owura Kwaku Sarfo, signed on behalf of MiDA while Ronke Ogunsulire, IFC Country Manager for Ghana signed for her organisation.



Ing. Owura K. Sarfo, CEO of MiDA in a handshake with Ms. Ronke Ogunsulire, IFC country manager for Ghana after the signing



## SECOND POLICY DECISION MAKERS WORKSHOP

The second workshop for policy decision makers for the ECG PSP transaction was held at the Tang Palace Hotel in Accra. This followed an earlier workshop held on August 10, 2015. The workshop, which was organized by the Reform Unit of MiDA, was intended to introduce policy decision makers, from various institutions associated with Ghana's power sector, to the key decision areas that would require sign off from Government. The workshop was also to apprise the decision makers of progress made in the contract with IFC.

The key stakeholders that attended the workshop were Ms Mona Quartey, the Deputy Minister for Finance, Mrs. Della Sowah, Deputy Minister for Gender Children and Social Protection, and the board members and management members of ECG. Other institutions present include the Public Utilities and Regulatory Commission (PURC), the Energy Commission (EC), Attorney General's Department, Public Utilities Workers' Union (PUWU) representing staff of ECG, and the board of MiDA represented by its chairman Professor Samuel Sefa-Dedeh. The workshop was facilitated by Ing. Owura Sarfo, CEO of MiDA, with the International Finance Corporation (IFC), the transaction advisors for the Government of Ghana on the PSP leading in presenting the various options for consideration in structuring the transaction agreement for the PSP of ECG. Transaction structuring issues discussed at the workshop related to ownership in the Concessionaire. Other strategic issues such regulation of tariffs, bid parameters and selection criteria for the tender, key performance indicators for the concession agreement, restructuring of ECG, and government's support requirements for the transaction were discussed in much detail. The presentations showed various PSP arrangements in Africa and other parts of the world, dwelling on the UMEME example in Uganda as a successful PSP.

From the presentations, participants were expected to

distill their preferences which would be incorporated in the transaction structuring report. The Transaction Structuring Report would present the Government of Ghana with various options for the PSP transaction. A decision would be taken on Ghana's preferred option for the concession agreement. Mr. Michael Awuah, Reform Unit Manager believes the workshop was successful, considering that almost all invited officials were present. "We had a lot more people contributing ideas and asking questions. These are the people who ultimately will be taking the decisions," He said.

*See pg 16 for photos on the event*

### KNOW YOUR COMPACT 2 ABBREVIATIONS

|             |   |
|-------------|---|
| <b>CIF</b>  | - Compact Implementation Fund                 |
| <b>PIA</b>  | - Program Implementation Agreement            |
| <b>PSP</b>  | - Private Sector Participation                |
| <b>FASA</b> | - Financial Advisory Services Agreement       |
| <b>ESMS</b> | - Environmental and Social Management System  |
| <b>ESIA</b> | - Environmental and Social Impact Assessments |
| <b>ESMP</b> | - Environmental and Social Management Plans   |
| <b>RPF</b>  | - Resettlement Policy Frameworks              |
| <b>RAP</b>  | - Resettlement Action Plans                   |
| <b>ERR</b>  | - Economic Rate of Return                     |
| <b>IPP</b>  | - Independent Power Producer                  |
| <b>LNG</b>  | - Liquefied Natural Gas                       |
| <b>REOI</b> | - Request for Expression of Interest          |
| <b>RfQ</b>  | - Request for Qualification                   |
| <b>RfP</b>  | - Request for Proposal                        |
| <b>ITT</b>  | - Indicator Tracking Table                    |

# SECOND POLICY DECISION MAKERS WORKSHOP





# Interview with CEO

In February 2015, President John Mahama appointed Ing. Owura Kwaku Sarfo as the new Chief Executive Officer (CEO) of the Millennium Development Authority (MiDA). Ing. Sarfo became the second CEO of MiDA, coming after Mr. Martin Esson-Benjamin who had led MiDA successfully through the Compact I programme.

Ing. Sarfo is charged to successfully steer MiDA through Compact II, also known as the Ghana Power Compact. His knowledge of and rich experiences in Ghana's power sector, having worked over 20 years with the Volta River Authority (VRA), exiting the power generation company as CEO in 2010, will be pivotal in the implementation of the Power Compact.

In this maiden edition, MiDA News (MN) had a conversation with Ing. Owura Kwaku Sarfo (Ing. OKS) hoping to get to know him better, his vision, and his expectations of the MiDA team. The following are extracts from the conversation.

**MN:** Thank you, Chief, for agreeing to do this interview.

**Ing. OKS:** You're welcome

**MN: How would you describe yourself?**

**Ing. OKS:** I consider myself a visionary, someone who is results oriented, and I believe in collaboration. I also ensure that I get the best out the people who work for me, and that the decisions I take reflect the general consensus.

**MN: What are your expectations of your management team and staff?**

**Ing. OKS:** I expect them to exemplify the values of MiDA. Now talking about values, we intend to have a number of sessions (with staff) where we will be talking about the values of MiDA. A key one is excellence. I expect staff to portray excellence in everything that they do. MiDA has a track record for excellence and I want us to continue to reflect that track record. I also expect that we will have collaboration. We need to collaborate within MiDA and also with our external partner agencies. I expect that collaboration will come to bear on the work that we do. Our other values are integrity and transparency. These I expect staff to demonstrate daily. Staff also need to know that we are all collectively and severally accountable. Normally when you are working with the knowledge that you are accountable--you are accountable to your superiors, to your subordinates, that you are accountable to Ghana then that affects the way you go about doing your work.



Ing. Owura Kwaku Sarfo

**MN: What leadership style do you adopt?**

**Ing. OKS:** There are a lot of theories about leadership styles. I would say that I don't believe in autocratic leadership. I believe in transformational leadership. A leader should be someone who inspires and challenges people to achieve results. I also believe in collaborative leadership; leadership where you collaborate with your colleagues to come out with actions that would be the best for the organisation. I also believe in leadership by example. I think that if I am asking my staff to do certain things I expect that I should also show that I believe in those things and I do them myself.

**MN: How would these leadership virtues drive the staff to achieve success with the Compact II programme?**

**Ing. OKS:** Everyone has said that this is a difficult Compact, because of the things we are trying to do. It's transformational in the sense that we need to challenge the status quo and need to be innovative. We need to leave footprints that people can walk on. For example, I expect my staff to live above board—show integrity, show transparency, and collaboration. I would also show integrity in that respect. As we implement the Compact II programme no one should have cause to raise a finger at us, as MiDA. That way we can implement the Compact with success.

**MN: So far what would you say has been the biggest success for MiDA?**

**Ing OKS:** I would say the biggest success is forming a team. We started with just myself. Now, we already have 53 people on board and I think we get on fairly well. We have begun to work around teams, we understand each other well, and we know where we are going. I think that it is the beginning of great things to happen.

**MN: And the biggest challenge?**

**Ing OKS:** The biggest challenge has to do with time. I want quick results and sometimes I haven't seen the results as quickly as I wish I could have them. That's because you need to go through certain protocols and certain procedures and all these take time. I must say that things are not happening as fast as I would want them; nevertheless things are getting on.

**MN: Broadly, what would you say is your vision for this Compact?**

**Ing OKS:** The vision for the Compact is very clear. What we intend to achieve in the Compact is basically what my vision is. We are hoping that MiDA, as an organization, will be a primary agent or one of the key agents [in Ghana] for poverty reduction through private sector led interventions. My vision is that we will be able to achieve this intention. That we will be able to achieve our programme objectives within the constraints that have been stated. That we will achieve the targets we've set around these objectives.

Also at the end of it all, I expect that all of us, i.e. staff would have grown. I think that when you achieve targets and you work within an organization you will have to grow and so I am hoping that having done everything, our staff should also benefit and the main benefit that staff would have is that they should grow tremendously. If we accomplish all the projects, we meet all the deadlines, and work within the fiscal regimes that we are working with and in everything we are mechanical, in the sense that staff really do not grow, then I think that we would not have achieved what we set out to do.

**MN: One of the things that makes this Compact difficult is that it doesn't have tangible infrastructure. We can't see the impacts as we may have with the first Compact. What should we look out for to help us recognise the changes coming with Compact II?**

**Ing OKS:** That is very true and that concerns me, because Ghanaians like to see physical items; power plants, substations, transmission lines, etc. What would help is that we need to tell our story. We need to blow our own horn as the saying goes. In many Ghanaian cultures they say that if you don't blow your own horn, nobody will blow your horn for you. Communication is going to be very key, we need to be able to tell our story so that we continue to be a major influencer, so people can see the impact that we are making. In addition

to that, for the projects, which are infrastructure projects, we need to structure them and roll them out in such a manner that as soon as possible we can have things on the ground that we can point to. I think that if we do these two things then we would have achieved the intentions for which we set out.

**MN: Do you have any concerns about our ability to achieve the targets?**

**Ing. OKS:** The Compact requires a lot of collaboration and sometimes I'm not too sure whether we are getting the kind of collaboration that it requires. It requires collaboration with government, and with private entities, particularly the reform components. Whether you are talking about reforms in the distribution sector, or you are talking about reform of the regulation or reforms of other areas. All these require a lot of collaboration and a lot of hard work and we need to build teams and networks such that we can achieve

“ I think that my first words to staff will be welcome everyone on board. We have a mission and all of us should strive to achieve that mission. I think that we have staff who are imbued with a lot of talents.”

these results. Sometimes it is difficult to see results in this area. That is the concern that sometimes I have which then means that we all have to work hard.

**MN: What would be your first words to staff as we prepare to Enter into Force in 2016?**

**Ing OKS:** I think that my first words to staff will be, “welcome on board everyone.. We have a mission and all of us should strive to achieve that mission.” I think that we have staff who are imbued with a lot of talents. We have staff who are good, staff who have a track record and so we should work together to achieve the vision that we have set for ourselves. Staff should know that in spite of the hurdles ahead of us, the things we have set out to do are doable, and that we can achieve the targets that we have set out to achieve if we work together. We want to create an environment which is conducive for work. A happy work environment. This is very important to me. I have always said that because we spend so much time at work, the work environment should be a happy environment. Otherwise, then we would end up with unhappy people all around us.

**MN:** Thank you very much for your time. It's been a pleasure talking to you.

## GOVERNMENT OF GHANA ISSUES REQUEST FOR EXPRESSION OF INTEREST (RfEOI) FOR PRIVATE SECTOR PARTICIPATION IN ECG

The Government of Ghana, acting through the Ministry of Power, Electricity Company of Ghana (ECG), and the Millennium Development Authority (MiDA), has invited expressions of interest from local and international companies to identify a qualified private sector partner to invest in and operate the distribution business of ECG through a public-private partnership.



*Ing. Owura K. Sarfo speaking at a press conference to mark the milestone of the publication of the RfEOI at World Trade Center, Accra*

This partnership, which forms part of the Ghana Power Compact between the Government of Ghana and the Millennium Challenge Corporation, will help transform ECG in terms of technology and efficiency in power distribution to become a stronger company, able to meet the current and future needs of Ghanaian families and businesses.

The Request for Expression of Interest (RfEOI), which has been publicized in local and international media, is a demonstration of government's commitment to engage in a transparent and competitive process to attract and select a proven private partner to operate ECG through a concession agreement.

"ECG is critical for our nation's growth and development. It is a cornerstone of the energy sector, which is why this Government of Ghana initiative is so important," said Ing. Sarfo, CEO of MiDA. The process is being managed by MiDA, the agency appointed by the Government of Ghana to implement the Ghana Power Compact.

"MiDA and the Government are confident that a qualified and experienced partner will be selected to invest in ECG and bring on board the needed technical skills to help ECG meet the growing demand for power in Ghana and unlock the poten-

tial in other parts of the power system, including power generation," said Ing. Sarfo. Inviting private sector participation in Ghana's power distribution sector has been on the agenda of the Government of Ghana since the 1990s, and the placement of the RfEOI follows broad stakeholder consultations and detailed technical, legal, and financial studies. "MiDA is committed to a collaborative approach to undertaking its responsibilities, and will ensure a transparent process in selecting the right operating partner to make ECG a leader in electricity distribution on the African continent, while remaining a Ghanaian owned asset," said Ing. Sarfo.

“The Request for Expression of Interest (RfEOI), which has been publicized in local and international media, is a demonstration of government's commitment to engage in a transparent and competitive process.”

# MiDA Board Meets ECG Board

The purpose of the meeting was to update the ECG Board on the progress of activities related to the Private Sector Participation in ECG project to date. Participants discussed the way forward with particular emphasis on the role and expected responsibilities of the ECG Board in the project.

Key participants at the engagement included:

- MiDA Management
- Deputy Minister of Gender Children and Social Protection
- Minister for Youth and Sports



# MEDIA EDITORS FORUM

MiDA held an Editors Forum on Friday November 6, 2015 to engage with the Editors of media institutions. The purpose was to update them on the Ghana Power Compact and the PSP in ECG.

Among the several editors who attended the event were Ransford Tetteh of the Daily Graphic, Selassie Adjadogo-- B&FT, Fortune Alimi-- Daily Guide, Johnny Aryeetey-- GTV, and Yaa Oforiwah Asare- Peasah-- GNA. Also present were senior MiDA officers namely: Ing. Owura K. Sarfo; MiDA CEO, Mr. Julius K. Kpekpena; COO, Mr. John Boakye; CFO, Ms. Yvonne Fiadjoe; General Counsel, Mrs. Pamela Djamson-Tettey; Communications & Outreach Director, Mr. Angelo Habib; Director of Audit & Mr. MichealAwuah; Reform Unit Manager at MiDA.



## MiDA ENGAGES WITH SOME TRADITIONAL AUTHORITIES

In October & November the Executives of MiDA engaged with the Kings of Asante, Akyem and the Asogli State, respectively. The visits form the first of future interactions with traditional Authorities in Ghana.

The purpose of the visits was to apprise the Traditional Authorities on the status of MiDA's preparedness with regards to the implementation of the Ghana Power Compact and to solicit their support as advocates of MiDA's activities. The delegation, led by the CEO of MiDA, Ing. Owura K. Sarfo and included the COO Julius Kpekpena, CFO John Boakye, General Counsel Yvonne Fiadjoe and Director Communication and Outreach Pamela Djamson Tetey. Other MiDA Executives who joined the delegation were the Reform Unit Manager Mike Awuah, Director Generation Projects Mawunyo Rubson, Communication and Outreach Officer Frank Kofi Boadi and Communication and Web Officer Frank Botchway.

The Kings declared their support for the Ghana Power Compact and the PSP in ECG. They pledged to convey information about the projects to their subjects and endorsed their full support for MiDA's activities.



MiDA engages with Osagyefuo Amoatia Ofori Panin II, Okyenhene



MiDA engages with Otumfuo Osei Tutu II, Asantehene



MiDA engages with Togbe Afede XIV, the Agbogbomefia of Asogli State



# MiDA Joins Africa Partner Pool

**I**nvest in Africa, has announced that the Millennium Development Authority (MiDA), is the latest organization to join the African Partner Pool (APP). The APP is Ghana's first online cross sector business directory that connects local and international companies.

The Government of Ghana ("GoG") and the Millennium Challenge Corporation ("MCC") have entered into a Millennium Challenge Compact for Millennium Challenge Account assistance to help facilitate poverty reduction through economic growth in Ghana (the "Compact") in the amount of Four Hundred and Ninety Eight Million, Two Hundred Thousand United States Dollars (US\$ 498,200,000) ("MCC Funding") and Thirty Seven Million, Three Hundred and Sixty Five Thousand United States Dollars (US\$37,365,000) ("GoG Funding").

The Program consists of six (6) projects: (i) the ECG Financial and Operational Turnaround Project; (ii) the NEDCo Financial and Operational Turnaround Project; (iii) the Regulatory Strengthening and Capacity Building Project; (iv) the Access Project; (v) the Power Generation Sector Improvement project; and (vi) the Energy Efficiency and Demand Side Management Project.

"MiDA sees the African Partner Pool (APP) as an ideal platform on which MiDA can advertise procurement opportunities through General and Specific Procurement Notices as well as Notifications of Contract Awards under the Compact. The Power Compact is open to competition worldwide. The entire process is transparent and audited and it is noteworthy that the first Compact has shown that Ghanaian companies have the ability to win contracts in the face of competition, winning



704 out of the 855 contracts signed. Being a buyer on the APP will also enable MiDA to show its commitment to maximizing the number of eligible submissions on our procurements by using the APP website to issue guidance notes and also conduct training on Compact related procurement issues" said Ing Owura Kwaku Sarfo the MiDA Chief Executive Officer.

Sam Brandful, Invest in Africa Ghana Manager, added: "The purpose of the APP is to help companies to source more locally and more efficiently by connecting companies to quality local suppliers of goods works and consultancy services here in Ghana, so we are delighted to be joined by MiDA"

The APP is the flagship initiative of Invest in Africa, which is a growing group of companies working together to address the cross-sector challenges of doing business in Ghana. Invest in Africa is focused on supporting local Ghanaian businesses by providing greater access to markets and skills, making it easier for international companies working in Ghana to source locally and at scale. In August 2015, Invest in Africa will launch a business skills excellence programme in Partnership with the African Development Bank, exclusively for Ghanaian businesses registered on the APP.

# MiDA Outdoors its Redesigned Website

Visit us on  
[www.mida.gov.gh](http://www.mida.gov.gh)

You can also get intouch with us through our social media platforms:

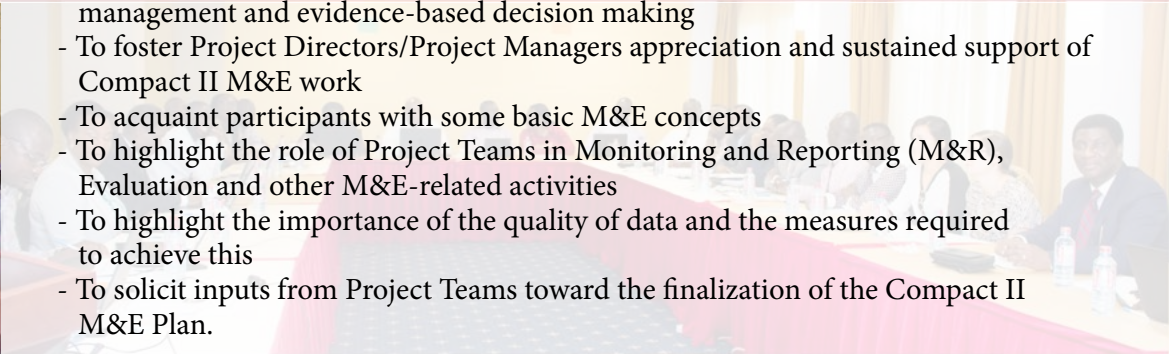


The screenshot displays the MiDA website's new design. At the top, there is a navigation bar with links for 'About Us', 'Jobs', and 'Contact Us', along with a search bar and a 'Select Language' dropdown. Below the navigation are the MiDA and Ghana Power Compact logos, and a menu with 'Home', 'Ghana Power Compact', 'Documents and Reports', 'Procurement', 'Outreach', and 'Media'. The main banner features a background image of power lines at sunset with the headline 'PRIVATE SECTOR PARTICIPATION IN ECG' and a sub-headline 'Developing projects and initiatives that will address the constraints to the supply of adequate and reliable power.' A 'learn more' button is positioned below the text. Below the banner is an 'About MiDA' section. The main content area is divided into three columns: 'NEWS' (with a recent article from 7th October 2015), 'PROCUREMENT OPPORTUNITIES' (with a notice from 17th September 2015), and 'DOCUMENTS AND REPORTS' (with the Ghana Power Compact document). A carousel at the bottom shows 'Event 2' and a video titled 'MiDA CEO Explains PSP in ECG'. A 'Useful links' section at the bottom lists various partner organizations. The footer contains detailed contact information and links for different sections of the website.



The Monitoring & Evaluation and Economics department of MiDA organized a 2-day (11th & 12th November, 2015) workshop in Accra to build a results-oriented Compact Team that performs its M&E responsibilities efficiently to demonstrate results to all stakeholders. The specific objectives of the workshop were as follows:

- To provide an overview of MiDA's M&E system to facilitate results-based management and evidence-based decision making
- To foster Project Directors/Project Managers appreciation and sustained support of Compact II M&E work
- To acquaint participants with some basic M&E concepts
- To highlight the role of Project Teams in Monitoring and Reporting (M&R), Evaluation and other M&E-related activities
- To highlight the importance of the quality of data and the measures required to achieve this
- To solicit inputs from Project Teams toward the finalization of the Compact II M&E Plan.



The Millennium Development Authority organised a 3-week Enterprise Resource Planning (ERP); SAP training workshop for staff of selected departments at MiDA.

A group of professionals from SITA Corp conducted the training.

SITA Corp is a US based company that specialises in helping companies bring people and processes together to help improve efficiency and cut-cost.



Some MiDA participants at the SAP training workshop



## MiDA PARTICIPATES IN APP/ INVEST IN AFRICA ANNIVERSARY EVENT

On Thursday 19th November 2015, MiDA participated in the first anniversary celebration of the African Partner Pool (APP). The event took place at the College of Physicians and Surgeons in Accra.

The MiDA procurement team also mounted a stand and interacted with other participants during the Buyers and Suppliers networking forum.



Mr. Fuseini Abu; MiDA procurement director & Mr Ian Stewart; MiDA procurement agent manager delivering a presentation to the audience



A cross section of the audience



MiDA procurement team interacting with visitors during the Buyers and Suppliers networking forum

**Millennium Development Authority  
4th Floor, Heritage Tower,  
Liberation Road, Ambassadorial Plaza  
Ridge West, Accra.**

**Postal Address  
Private Mail Bag 56  
Stadium Post Office Accra**

**Email:  
[info@mida.gov.gh](mailto:info@mida.gov.gh)**

**Website:  
[www.mida.gov.gh](http://www.mida.gov.gh)**

**Telephone:  
+(233) 302 666619  
+(233) 302 666621  
+(233) 302 666624**

**Fax:  
+(233) 302 2666579**

