



**MILLENNIUM DEVELOPMENT AUTHORITY  
(MiDA)**

**GHANA COMPACT II**

**Quarterly Progress Report**

**January – March 2018  
(Compact Quarter No. 6)**

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

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## **GLOSSARY OF ABBREVIATIONS**

AG	Attorney General
BCS	Bid Challenge System
C&AGD	Controller and Accountant General Department
CAP-Scan	Capacity Scan
CIF	Compact Implementation Funding
CP	Condition Precedent
DMS	Document Management System
ECG	Electricity Company of Ghana Ltd
EEDSM	Energy Efficiency and Demand Side Management
EPA	Environmental Protection Agency
ERP	Enterprise Resource Planning
ESMS	Environmental and Social Management System
ESH	Environment Social and Health
ESP	Environmental and Social Performance
ESIA	Environment Safety and Impact Assessment
GIS	Geographic Information System
GoG	Government of Ghana
GSA	Ghana Standards Authority
GSI	Gender and Social Inclusion
HSESCA	Health Safety Environment Social Capacity Assessment
IDIQ	Indefinite Delivery Indefinite Quantity
IE	Implementing Entity
IEA	Implementing Entity Agreement
IFC	International Finance Corporation
IPM	Integrated Planning Model
IPP	Independent Power Producer
LCU	Loss Control Unit
MCC	Millennium Challenge Corporation
M&E	Monitoring and Evaluation
MiDA	Millennium Development Authority
MoEn	Ministry of Energy
MoEd	Ministry of Education
MoF	Ministry of Finance
MoU	Memorandum of Understanding
NEDCo	Northern Electricity Distribution Company Ltd

NFOT	NEDCo Financial and Operational Turnaround
PAP	Prioritized Action Plan
PIA	Program Implementation Agreement
PMC	Program Management Consultant
PSP	Private Sector Participation
PSWU	Public Services Workers Union
PURC	Public Utilities Regulatory Commission
PUWU	Public Utility Workers Union
RCE	Resettlement and Community Engagement
RfP	Request for Proposals
RPP	Regulatory Partnership Program
SGIP	Social and Gender Integration Plan
SoW	Statement of Works
STEM	Science Technology Engineering and Mathematics
TA	Technical Assistant
TOR	Terms of Reference
TP	Tariff Plan
TVET	Technical and Vocational Education Training
VRA	Volta River Authority

## **EXECUTIVE SUMMARY**

### **Introduction**

This Progress Report covers Compact Quarter No. 6 (the period from January 1 to March 31, 2018) 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 Seventh 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 risks to the successful execution of Ghana's Second Compact and highlights Government approvals required. It concludes with projections for the next Quarter.

In the Quarter under review, there was a significant breakthrough in moving the Program implementation process forward. Expected support from Implementing Entities was forthcoming, and there was good progress in the procurement of Service Providers and in the implementation of Contracts that have already been awarded. This should bring about substantial disbursement of Funds in the ensuing Quarters.

### **Highlights of Previous Quarter's Activities (5<sup>TH</sup> Compact Quarter)**

During the previous Quarter, which marked the Compact Quarter No. 5 activities, MiDA achieved significant progress, particularly meeting the Conditions Precedent (CPs) to the Sixth Disbursement of Program Funding. The following are some of the major activities accomplished:

- MiDA held the Second Bidders' Conference together with International Finance Corporation (IFC), Electricity Company of Ghana (ECG), Public Utilities Regulatory Commission (PURC), Energy Commission (EC), Ministry of Finance (MoF), Millennium Challenge Corporation (MCC), Attorney-General's Department (AG), and Ministry of Energy (MoEn). All the four (4) remaining Shortlisted Applicants, namely Manila Electric Company (MERALCO), Engie Limited, BXC Ghana

Limited, and CH Group Ghana with EDF and Veola SA, participated in the Bidders' Conference.

- Following the Second Bidders' Conference, MiDA issued the final RfP to the four Shortlisted Applicants.
- The Lands Commission and MiDA gazetted and publicized Executive Instrument (E.I. 157) to enable MiDA secure 15.6 acre parcel of land to construct the proposed Pokuase Bulk Supply Point (BSP).
- MiDA issued the Request for Proposals (RfPs) for the Environmental and Social Impact Assessment (ESIA) Consultancy for the Pokuase BSP and the Enterprise Resource Planning (ERP) Consultancy. Bids were received and the evaluations completed for the Resettlement and Community Engagement (REC) and the Race-to-Retrofit Consultancy.
- MiDA executed a contract with Messrs. Vision Consult & Jondee Ltd to conduct consultancy services on the Street Lighting project. MiDA engaged two Contractors to supply Office Equipment and Furniture to the Ghana Standards Authority (GSA) and Energy Commission (EC). MiDA also engaged a contractor to supply Power Quality Analyzers to the ECG System Planning Unit.

### **Highlights of Reporting Quarter (6<sup>TH</sup> Compact Quarter) Activities**

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

#### **Procurements**

- MiDA opened proposals for the ECG Private Sector Participation (PSP) on March 26, 2018. Bids were received from BXC Ghana Limited and Manila Electric Company (MERALCO). Evaluation of the Technical Proposals commenced on March 27, 2018.
- MiDA issued RfPs for the following Consultancies:
  - Gender Audit
  - Supply of Test Equipment for the ECG Loss Control Unit (LCU)
  - Field Metering and Monitoring Studies
  - AC Test Facility
- MiDA executed Contracts for the following activities:
  - Environmental and Social Impact Assessment (ESIA) studies for the proposed Pokuase BSP.
  - RCE Consultancy services for proposed Infrastructure projects under the Compact. MiDA procured the services of four (4) consultants on January 26, 2018 for the assignments.
  - Race-to-Retrofit Consultancy Contract was signed on February 14, 2018.
  - Enterprise Resource Planning Consultancy Contract was signed on March 1, 2018.
  - Production of Documentary videos for the Compact. Messrs Orakle Multimedia was engaged to provide this service.
  - Project Management Consultancy Services for the NFOT Project. On February

13, 2018, MiDA and SMEC exercised the Option II under the existing Contract to enable SMEC provide the services.

- MiDA delivered 12 4X4 vehicles and equipment to the ECG Loss Control Unit (LCU) on March 23, 2018 to assist in their operations.

#### Environment and Social Performance

- MiDA secured Environmental Permit from the Environmental Protection Agency (EPA) on February 14, 2018 to construct the BSP at Pokuase.
- MiDA and ECG finalized an Environmental and Social Management System (ESMS), thereby satisfying the Condition Precedent (CP) to disbursement of Program Funds for Works Contracts under the EFOT Project

#### Implementing Entity Agreements (IEAs)

- MiDA executed IEAs with NEDCo and VRA on March 15, 2018, and March 19, 2018 respectively. Extensive consultation with the Management, Unions, and the Senior Staff Association in Tamale, Accra, Techiman, and Bolgatanga preceded the signing of the IEAs. MiDA also executed IEA with the Lands Commission on February 7, 2018, and with Public Utilities Regulatory Commission (PURC) on March 7, 2018.

MiDA completed the CAP-Scan related works and closed the Contract.

### **Critical Risks**

The following were critical risks which were identified for specific attention during the 6<sup>th</sup> Compact Quarter.

- The ECG PSP Transaction remains on a critical path with only four (4) months for the Transaction to reach Financial Close. Within this period, the Transaction must conclude Proposal Evaluation, Negotiation of Legal Agreements, Cabinet and Parliament Approval of Draft Agreements, and signing of the Agreements.
- MiDA needs to continue to work with Government and the leadership of the Workers Union (PUWU and PSWU) to ensure smooth implementation of Compact Projects in ECG.
- The support of ECG is critical to the smooth implementation of the Compact II activities, particularly in relation to the ECG Financial and Operational Turnaround Project and the ECG-PSP Transaction. Similarly, the cooperation and commitment of all the other IEs is critical for the success of the Compact Program.
- Slow pace of disbursement of Compact Funds and the imperative to safeguard Trance II Funds.
- Ghana has been classified under Tier 2 for Child Slavery for three (3) consecutive years. Ghana could lose US funding if it does not make maximum efforts to

address issues of human trafficking in the country. MiDA would have to intensify its advocacy on this subject.

- MiDA needs the support of NEDCo Management to drive the NFOT Project. MiDA will continue to engage with NEDCo Staff to enhance a smooth Compact implementation.



## **1.0 GHANA COMPACT II**

### **1.1 BACKGROUND**

The Millennium Development Authority (MiDA), which is an agency under the Office of Government Machinery, was established by an Act of Parliament, Act 702 and assented to by the President of the Republic of Ghana on March 23, 2006. Amendments to Act 702, Act 709 was assented to on July 20, 2006 and Act 897 assented to on October 26, 2015. MiDA is currently implementing the Ghana Power Compact.

On 5<sup>th</sup> August 2014, the Millennium Challenge Compact between the Republic of Ghana and the United States of America was signed. The goal of the Compact, which focuses on Ghana's Power Sector, 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 Power Compact Program has a budget of US\$ 498.2 million consisting of two tranches of Program Funding amounting to US\$ 469.3 million and a Compact Implementation Funding (CIF) of US\$ 28.9 million. In addition, there is a Government of Ghana (GoG) contribution of not less than 7.5% (i.e. US\$ 37.4 million), bringing the total Compact Funds to US\$ 535.6 million.

The Compact Program consists of six (6) Projects:-

- ECG Financial and Operational Turnaround Project
- NEDCo Financial and Operational Turnaround Project
- Regulatory Strengthening and Capacity Building Project
- Access Project
- Power Generation Sector Improvement Project
- Energy Efficiency and Demand Side Management Project

### **1.2 VISION**

“To be the preferred national development Organization, implementing public and donor funded programs to reduce poverty through economic growth.”

### **1.3 MISSION**

“To oversee, manage and implement national development programs funded by the Millennium Challenge Corporation, Government of Ghana and development partners in an effective and sustainable manner”.

## 1.4 CORE VALUES

MiDA embodies the following values:

- Excellence
- Integrity
- Transparency
- Inclusion
- Accountability
- Collaboration

## 1.5 FUNCTIONS

MiDA performs the following functions to achieve its objectives:

- Oversees and manages the implementation of the programs under the Millennium Challenge Account
- Secures the proper and effective utilization of funds granted to Ghana under each Compact and any other relevant agreement; and
- Oversees and manages other national development programs of similar nature funded by the Government of Ghana, Development Partners or by both.

## 2.0 HUMAN RESOURCE DATA AND ANALYSIS

### Staff Strength

The Millennium Development Authority (MiDA) has a Staff strength of sixty-three (63). The breakdown of Staff categories is shown in the table below.

### Categories of MiDA Staff, March 2018

<b>Male:</b>	<b>Percentage</b>	<b>Female</b>	<b>Percentage</b>		
44	69.84	19	30.16		
<b>Category</b>	<b>Total Number</b>	<b>Gender Breakdown</b>			
		<b>Male</b>	<b>%</b>	<b>Females</b>	<b>%</b>
Senior Management	4	3	75	1	25
Directors	8	6	75	2	25
Managers	7	7	100	-	-
Officers	29	14	48.28	15	51.72
Junior Officers	3	2	66.7	1	33.3
Drivers	12	12	100	-	-
Total	63	44		19	

Seventy-five per cent (75%) of the Staff have Tertiary degrees with majority of them holding Engineering degrees. Senior Management, Directors and Managers fall within the age bracket of 39-60 whilst Officers are within the age bracket of 25-58. Junior Officers and Drivers are

also within the age bracket of 34-51. The diverse workforce of MiDA has created a very productive environment for the implementation of its mandate.

### **Replacement of Chief Executive Officer (CEO)**

Based on mutual agreement between the then incumbent CEO and the Board of MiDA, the CEO (Ing. Owura Sarfo) resigned his position and was replaced by Martin Eson-Benjamin, formerly CEO of MiDA, under Compact I (2006 - 2014), on Monday, December 5, 2017.

## **3.0 COMPACT PROGRAM**

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 the 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.

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 of the Compact in September 2016.

In this reporting period which marks the Sixth Compact Quarter since Entry-into-Force, key activities related to the following were undertaken:

- Preparations towards the Seventh Disbursement Request 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

### 3.1 PREPARATION TOWARDS 7<sup>TH</sup> DISBURSEMENT REQUEST 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 (CPs). MiDA, on behalf of Government of Ghana, worked diligently towards completing and keeping on track the following Conditions Precedent to the Seventh Disbursement Request of Program funding.

The table below summarizes the status of these CPs.

#### Status of CPs to Seventh Disbursement of Funding

Condition Precedent to Disbursement of Sixth Funding	5 <sup>th</sup> Compact Quarter Status	6 <sup>th</sup> 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 the Electric Distribution Utility Payment Action Plan	Satisfied	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	Signed

## 3.2 PROGRAM ACTIVITIES

### 3.2.1 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, Distribution Projects

Project	5 <sup>th</sup> Compact Quarter Status	6 <sup>th</sup> Compact Quarter Progress
ECG PSP Transaction Activity	MiDA issued the final RfP to the shortlisted Applicants pending Bid submission.	MiDA continued to engage Bidders on the ECG PSP Transaction Activity. MiDA received bids from the Shortlisted Applicants on March 26, 2018 and commenced evaluation thereafter.
Geographic Information System (GIS)	MiDA reviewed the Inception Report and provided comments to Hexagon, the Contractor, for redress.  MiDA, ECG, SMEC (the Program Management Consultant), and Hexagon (the Contractor) held several meetings to resolve issues related to data types acceptable for the data migration.	MiDA approved the Inception Report. Hexagon developed a conceptual design document for MiDA's approval.  MiDA and Messrs. Hexagon initiated a Medium Voltage (MV) prototype and held a Workshop to discuss the prototype; The prototype is yet to be completed.
Upgrade of Data Centre & Communication Network Consultant	MiDA and ECG forwarded their comments on the reports on Assessment on Current State (Task 1) and ICT Review (Task 2) to the Consultant for redress.  The Consultant submitted the Draft Preliminary Design Report (Task 3) to MiDA for review and comments.	MiDA provided comments on the Draft Preliminary Design to the Consultant for redress; the Consultant incorporated MiDA and ECG comments and submitted the Final Preliminary Design.  The Consultant also submitted the Draft Technical Specifications, Bill of Quantities (BoQs) and Scope of Work for review and comments.

Project	5 <sup>th</sup> Compact Quarter Status	6 <sup>th</sup> Compact Quarter Progress
<p>Program Management Consultant (PMC)</p>	<p>MiDA approved the July-September 2017 Quarterly Report, and the October 2017 and November 2017 Monthly Reports submitted by SMEC, the Program Management Consultant.</p> <p>The Consultant also submitted the Program Management Plan for review and approval; MiDA reviewed and approved the Plan.</p>	<p>MiDA approved the 2017 Annual Report, and the January 2018 and February 2018 Monthly Reports submitted by the Consultant. MiDA received the Draft Bid Document for the Metering Management System.</p> <p>SMEC carried out the following activities:</p> <ul style="list-style-type: none"> <li>● Continued to update ECG Manuals and Technical Specifications.</li> <li>● Continued to finalize the Bid Package for the Pokuase BSP.</li> <li>● Conducted field survey within Achimota, Kaneshie and Dansoman as part of the LV Bifurcation and Network Improvement activities for ECG.</li> <li>● Commenced field work to prepare the Designs for the two proposed Primary Substations, namely Kotobabi and Korle Gonno, together with their Interconnecting Circuits.</li> </ul>
<p>Technical Advisors of ECG (TAs)</p>	<p>The Consultant commenced Services and submitted the Inception Report to MiDA for review and approval on November 20, 2017.</p> <p>MiDA submitted some comments to the Consultant for redress. The Consultant was yet to submit a revised version of the Inception Report.</p>	<p>The Inception Report was approved by MiDA on January 4, 2018.</p> <p>MiDA approved the January 2018 and February 2018 Monthly Reports and the 2017 Annual Report submitted by the TAs</p> <p>The Consultant held a Workshop on Governance and</p>

Project	5 <sup>th</sup> Compact Quarter Status	6 <sup>th</sup> Compact Quarter Progress
		Communication Framework for ECG on February 12, 2018; and also reviewed and submitted comments on the Designs and Specification prepared by SMEC.
Redesign of the NEDCo Financial and Operational Turnaround Project	<p>MiDA and SMEC commenced processes to finalize the Option II of the PMC Contract, which relates to the NFOT Project.</p> <p>MiDA made amendments to some legal provisions in the IEAs and forwarded same to NEDCo and VRA on October 19, 2017 for their concurrence.</p> <p>MiDA continued to engage VRA on the IEA signing.</p>	<p>MiDA and SMEC executed the Option II Phase of the PMC Contract on February 13, 2018 to begin the implementation of the NFOT Project.</p> <p>MiDA and NEDCo executed the IEA between them on March 15, 2018.</p> <p>MiDA and VRA executed the IEA between them on March 19, 2018.</p>
Design of the Access Project	<p>The Consultant submitted the Draft Conceptual Design Report (Phase III, Task 7) on October 6, 2017, followed by a two-day Briefing Meeting in Accra (October 19-20) to discuss the key findings and recommendations.</p> <p>The Consultant submitted all outstanding Deliverables and brought the Feasibility Studies and Designs Task to a closure.</p>	MiDA continued to engage with MCC as MCC prepared to issue a Task Order to Messrs CH2M to prepare Detailed Engineering Designs, Scope of Works and Technical Specifications for the Access Project.
Strengthening the Loss Control Units (LCU) of ECG	MiDA signed a contract with Messrs ACME to supply a Double Cabin Pick-up Truck with Toolbox for the Loss Control Unit of ECG.	<p>MiDA handed over to ECG 12 4x4 vehicles that had been procured for the Company's Loss Control Unit, on March 23, 2018.</p> <p>MiDA re-issued the IFB for the supply of Test Equipment, and after the necessary processes leading to the</p>

Project	5 <sup>th</sup> Compact Quarter Status	6 <sup>th</sup> Compact Quarter Progress
		<p>issuance of the Notice of Award, there was a Bid Challenge.</p> <p>MiDA commenced the processes to resolve the protest.</p>

### 3.2.2 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, Generation Projects

Project	5 <sup>th</sup> Compact Quarter Status	6 <sup>th</sup> Compact Quarter Progress
Tariff Study and Tariff Plan	<p>MiDA continued to collaborate with Fichtner, the Tariff Study and Tariff Plan Consultant, to deliver on the assignment.</p> <p>MiDA and PURC approved the final Interim Report on December 14, 2017</p> <p>MiDA received approval from the Board to allow for Contract extension to help bring the assignment to a successful completion.</p> <p>MiDA informally shared a draft Scope of Works (SOW) on the Regulatory Partnership Program (RPP) with MCC.</p>	<p>Fichtner submitted the Tariff Implementation Plan (TIP) on January 17, 2018 which was reviewed by both PURC and MiDA; PURC provided comments on the TIP on February 28, 2018.</p> <p>MiDA received, reviewed and discussed MCC comments on the SOW for the RPP; MiDA revised the SOW as per MCC comments and re-submitted to MCC for further review and approval. PURC and EC comments were yet to be received.</p>



Project	5 <sup>th</sup> Compact Quarter Status	6 <sup>th</sup> Compact Quarter Progress
CAP-Scan	<p>MiDA held meetings with MCC and CRISIL, the CAP-Scan Consultant, to discuss the performance of the Contract. MiDA Board approved Contract extension on this activity</p> <p>CRISIL submitted expected deliverables including the Prioritized Action Plan (PAP). The deliverables were shared with some selected Stakeholders for reviews and comments. MiDA set up a meeting for January 9, 2018 to discuss and agree on actionable items in the PAP.</p>	<p>MiDA approved the following Deliverables that were received from CRISIL:</p> <ul style="list-style-type: none"> <li>● Final Report on In-Country Working Sessions and Action Plan</li> <li>● Monitoring and Evaluation.</li> </ul> <p>MiDA exercised the Optional Phase of the CAP-Scan Contract on February 1, 2018 to enable the Consultant develop TORs for the procurement of some other Consultants to implement proposed interventions in Prioritized Action Plan (PAP). MiDA approved the TORs. The Contract ended on March 16, 2018.</p>
AC Test Facilities	MiDA continued to develop the RfP for the AC Test Facilities Consultancy.	MiDA issued the RfP, received bids and commenced evaluation on the AC Test Facilities Consultancy.
Field Metering and Monitoring Studies (FMMS)	MiDA continued to develop the RfP for the Field Metering and Monitoring Studies.	MiDA issued the RfP on the Field Metering and Monitoring Studies (FMMS).
Race to Retrofit	MiDA issued the RfP, received Bids, conducted evaluation and selected a Winning Bidder on the Race-to-Retrofit Consultancy. MiDA also commenced negotiation with the Winning Bidder.	MiDA executed a Contract with Messrs. DESL on the Race-to-Retrofit Consultancy on February 14, 2018. The Consultant submitted the Contract Kick-off Meeting Minutes and Inception Report, and commenced Preliminary Energy Audit.
Street Lighting	MiDA completed the evaluation, selected a Winning Bidder, conducted Negotiation, and signed a Contract on November 17, 2017 with the selected Bidder. The selected Consultant, Messrs. Jondee	<p>Messrs Jondee and Vision Consult JV submitted the final Inception Report on January 29, 2018 for approval and continued with the Baseline Survey.</p> <p>The Consultant submitted the following four Deliverables (out of</p>

Project	5 <sup>th</sup> Compact Quarter Status	6 <sup>th</sup> Compact Quarter Progress
	Ltd., commenced services to deliver on the assignment.	a total of six under the Contract): Kick off Meeting Notes, Final Inception Report, Final Baseline Streetlight Survey Report, and Report on Market Survey and Energy Efficient Street Light Case Studies.

### 3.2.3 Environment and Social Performance

The Compact requires that all Projects are implemented in line with MCC’s 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.

MiDA procured the services of four (4) Consultants on January 26, 2018 to undertake Resettlement and Community Engagement (RCE) for the Project activities under the Compact. These Consultants have been procured under Indefinite Delivery Indefinite Quantity (IDIQ) Contracts. They are the following;

- Binserkoms Ltd (BSL)
- SAL Consult in association with Associates for Change
- Nomad Socio-Economic Management and Consulting (Pty) Ltd, in Joint Venture with Devtplan Consult Ltd and SRC Consulting (NMC).
- Colan Consult in association with GIBB (Pty) Ltd (CCG).

MiDA executed a Contract with SAL Consult on February 12, 2018 to carry out Environmental and Social Impact Assessment (ESIA) for the BSP at Pokuase. The Final Report of the study is due on April 30, 2018.

MiDA has completed the Environmental and Social Management System (ESMS) for ECG and has obtained MCC’s “no objection”. This is a Condition Precedent (CP) for payment for Works Contracts under the ECG Financial and Operational Turnaround (EFOT) Project. Thus, MiDA has formally satisfied this CP.

### 3.2.4 Gender and Social Inclusion

To maximize the positive social impacts of the Projects, MiDA is expected to conform to the MCC Gender Policy satisfactorily, by addressing social and gender issues including human trafficking, child and forced labor, 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 issued the RfP for the Gender Audit Consultancy on January 15, 2018. MiDA received and evaluated Bids from six (6) individual Consultants. The Financial Proposal of the selected successful Bidder exceeded the Budget by 12%. A justification to award the Contract has been prepared for consideration and approval by the Board.

MiDA in collaboration with MCC conducted a due diligence for the proposed MiDA Internship and Mentoring Program between January 29 and February 9, 2018. The essence of the Program is to focus on providing female Science, Mathematics, Engineering, and Mathematics (STEM) students in Tertiary and Technical and Vocational Education and Training (TVET) institutions with employment pathways in the Power Sector

On March 8, 2018, MiDA celebrated the 2018 International Women's Day and used the occasion to launch the Compact Gender and Energy Working Group.

### **3.3 MONITORING AND EVALUATION**

MiDA commenced the revision of the existing M&E Plan, which provides the framework for the monitoring and evaluation of Compact activities. The revision was mainly on the baselines and targets for performance indicators; they must reflect the situation at Entry-into-Force.

For the purpose of ensuring quality reporting as required by the M&E Plan, MiDA continued to provide training to Implementing/Reporting Entities to build their capacity to collect and manage data.

In the reporting Quarter, the Second Phase of the Capacity Building Workshop on Data Management Systems for GRIDCo Staff was carried out, and this covered Substation and Master Station Operators in the Takoradi, Prestea and Kumasi Operational Areas.

### **3.4 COMMUNICATIONS AND OUTREACH**

MiDA conducted a detailed analysis of the existing Communications Strategy and this revealed that the public did not have an appreciable understanding of the Power Compact. Hence, MiDA developed a refocused Strategy and commenced activities to enhance visibility.

MiDA held a Meeting with the Head of the Public Affairs Unit of the US Embassy. The two teams committed to collaborate by sharing information, articles, etc. on their respective

platforms.

MiDA held a Meeting with Communication / PR Personnel of various Implementing Entities, namely NEDCo, ECG, PURC, and GSA. The purpose of the engagement was to acquaint MiDA with its counterparts in the various IEs and to establish working protocols for communicating on the Compact. MiDA established a WhatsApp platform to enhance information dissemination.

MiDA delivered a presentation on the status of the Compact and PSP Transaction Activity to the Ghana / German Economic Association.

MiDA executed a Contract with Messrs. Orakle Multimedia (Orakle) on February 06, 2018 for the production of Documentary Video for the Compact; and received the Inception Report, which is part of the Deliverables, on March 16, 2018.

MiDA engaged with ECG's Third Party Stakeholders such as Suppliers, Vendors, Contractors, and other Service Providers on 22<sup>nd</sup> March, 2018. The objective of the engagement was to provide information on the Compact, especially the ECG PSP Transaction. These Stakeholders were expected to be well positioned to take up opportunities in the various upcoming procurements with the information provided.

MiDA engaged at various fora with the Staff and Senior Staff Unions, as well as Management of ECG on the ECG PSP during the period January - February 2018.

MiDA drafted and circulated a Press Statement in the Media to assure all Stakeholders that the ECG PSP Transaction process was on track and not in jeopardy. Also, MiDA issued a Press Release on the ECG PSP Bid Opening that took place on March 26, 2018.

MiDA continued work on the compilation of the First Quarter, 2018 (Volume 2) Edition of the MiDA Newsletter.

### **3.5 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 provide technical support to MiDA Procurement. Procurement activities for the Projects continued.

MiDA received approval from the Board for the Procurement Plan No. 4 on March 7, 2018 and thereafter published the General Procurement Notice on dgMarket, in the Business and Financial Times, Ghanaian Times and Daily Graphic on March 14, 2018.

Following the issuance of Notification of Award to the selected Bidder to supply Test Equipment for ECG, MiDA received a debriefing request from MTE on March 19, 2018 and MiDA responded. MTE submitted a letter on March 20, 2018 to protest the decision and outcome of the evaluation. MiDA commenced the processes of Bid Challenge to resolve the protest

MiDA opened the following seven (7) Bids:

- Gender Audit Consultancy
- ESIA Consultancy for the Pokuase BSP
- Design and Implementation of Document Management System for MiDA
- Financial Audit Services
- Supply of Test Equipment
- AC Test Facility
- ECG PSP Activity

MiDA signed contracts to the tune of **\$1,761,369.00** within the Quarter

### **3.6 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 is a Government of Ghana (GoG) contribution of not less than 7.5% (i.e. \$37.4 million). The update on commitments and other related activities are as follows.

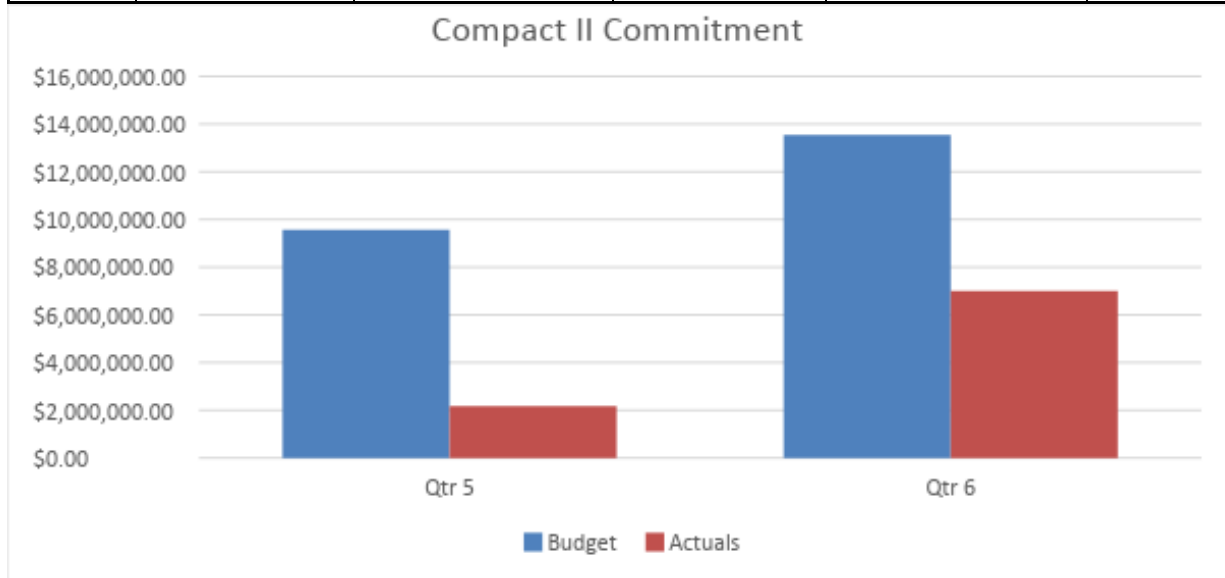
#### **3.6.1 Commitment of Compact Funds**

The commitment of Compact Funds in Quarter 6 is shown in Figure 1. The commitment achieved in the previous Quarter (i.e. Quarter 5) is also shown in the figure below.

In this reporting Quarter, which marked Compact Quarter No.6, MiDA achieved a Performance Score of **51.71%** between the Actual Commitment (**\$7,007,952.00**) and Budgetary Commitment (**\$13,553,054.00**). MiDA continued to make effort to expedite implementation of the activities in the Compact.

**Figure 1 Commitment of Compact Funds, Compact Quarters 5 and 6**

Qtr	Budget	Actuals	% Performance	Cumulative Commitments	% Compact Funds
Qtr 5	\$9,572,743.00	\$2,163,069.00	22.60%	\$45,421,092.00	8.48%
Qtr 6	\$13,553,054.00	\$7,007,952.00	51.71%	\$52,406,092.00	9.78%



MiDA achieved a Cumulative Commitment of **\$52,406,092.00** at the end of the Fifth Compact Quarter, representing **9.78%** 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,
- Energy Efficiency and Demand Side Management,
- Program Administration.

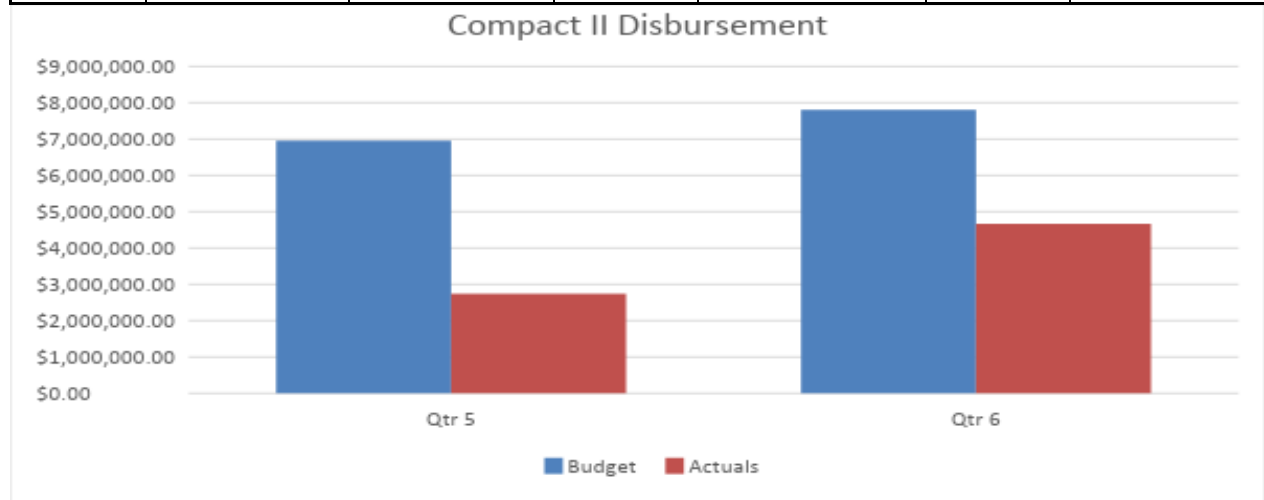
The signed Contracts under the EFOT Project are for the ECG PSP Transaction Advisory Services and GIS (both Consultancy and Works), Program Management Consultancy, Datacenter and Communication Network Consultancy, and ECG Technical Assistance, and ERP Consultancy. The signed Contract under M&E is related 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.

### 3.6.2 Disbursement of Compact Funds

The disbursement of Compact Funds in Quarter 6 is shown in Figure 1. The disbursement achieved in the previous Quarter (i.e. Quarter 5) is also shown.

**Figure 2 Disbursement of Compact Funds, Compact Quarters 5 and 6**

Disbursement	Budget	Actuals	% Performance	Cumulative Disbursement	% Compact Funds	Disbursement Request for Next Quarter
Qtr 5	\$6,956,337.00	\$2,741,559.00	39.41%	\$25,649,747.00	4.79%	\$7,515,017.00
Qtr 6	\$7,799,584.00	\$4,669,689.00	59.87%	\$30,317,735.00	5.66%	\$8,691,550.00



In this reporting Quarter, a disbursement performance hovering around **59.87%** (as shown in Figure 2) was due to differences in the actual and projected outlay for the Program Management Consultant (PMC), GIS Contractor, the Tariff Study/Tariff Plan Consultancy, and the GIS implementation, which had seen some delays in implementation. There were also payments under the ECG PSP Transaction Advisory Services, GIS Implementation, Program Management Consultants, Data Quality Review, Fiscal Agents, Procurement Agent, CAP-Scan Consultancy and Data Centre Consultancy.

During the reporting Quarter, the total Cumulative Disbursement was about **\$30,317,735.00** representing **5.66%** of total Compact Funds. The previous Quarter's performance was **\$25,649,747.00** representing **4.79%** of total Compact Funds. The resulting increase in Cumulative Disbursement was therefore **18.20%**.

The Disbursement Request for the 7<sup>th</sup> Compact Quarter (April-June, 2018) amounting to **\$8,691,550.00** was submitted to MCC for approval on March 12, 2018.

### 3.6.3 Government Payment and Budgets

During the Quarter, MiDA finally received payment from GoG for the Second Tranche of GoG Counterpart Funds (**GH¢13.87 million**) as well as the reimbursement of outstanding Compact I commitments totalling **GH¢536,381.72**.

MiDA received two checks from the Office of Government Machinery (OGM) after the Controller & Accountant General's Department (C&AGD) had transferred the Funds through the OGM Treasury.

The breakdown of the Funds are as follows:ˆ

- Counterpart Funds	GH¢ 13,872,973.62
- Outstanding Compact I Commitments	<u>GH¢ 536,381.72</u>
- <b>Total</b>	<b><u>GH¢14,409,355.34</u></b>

### 3.7 LEGAL AND GOVERNANCE

A number of legal issues were addressed during the Compact Quarter No. 6 by the Legal Department.

On March 20, 2018, MiDA received a Bid Challenge from MET Meter Test Equipment AG in respect of the Contract for the supply of six (6) units of Portable Test Equipment to the Loss Control Unit of ECG. The Legal Department together with the Procurement Department commenced work on the review of the protest to issue the Level 1 Authority decision.

MiDA signed IEAs with four Public Organizations, as shown below.

<b>Organization</b>	<b>Date of Signing</b>
Lands Commission	February 7, 2018
PURC	March 7, 2018
NEDCo	March 15, 2018
VRA	March 18, 2018

With MCC's approval of the the Amended IEA with the Ministry of Energy (MoEn), and the IEA with Attorney-General's (AG) Department, these two IEAs, which are the only ones outstanding, are expected to be signed in the next Quarter.

MiDA Board of Directors held its 19<sup>th</sup> Regular Meeting on March 7, 2018; and the 18<sup>th</sup> and 19<sup>th</sup> Special Meetings on February 15, 2018, and March 29, 2018 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 completed the cross examination of the MiDA COO. The Court discharged him thereafter on March 16, 2018.



- Yaw Abekwei's claim for compensation for the compulsory acquisition of his lands for the construction of the N1 Highway during Compact I.
- On March 14, 2018, MiDA was served with a Writ in respect of the case of Yaw Abekwei vrs MiDA, Ghana Highway Authority, Lands Commission and the Attorney General.

#### **4.0 CRITICAL RISK**

The following are critical risks which required some attention during the Sixth Compact Quarter.

- The ECG PSP Transaction remains on a critical path with only four (4) months for the Transaction to reach Financial Close. Within this period, the Transaction must conclude Proposal Evaluation, Negotiation of Legal Agreements, Cabinet and Parliament Approval of Draft Agreements, and Signing of the Agreements.
- MiDA needs to continue to work with Government and the Workers' Union Leadership to ensure smooth implementation.
- Cooperation from ECG remains critical to the implementation of the Works under the EFOT Project. Similarly, MiDA's relationship with some Implementing Entities is critical for their cooperation and commitment to the success of the Compact Program. MiDA continues to work on these relationships to enhance a smooth Compact implementation.
- MiDA needs the support of NEDCo Management to drive the NFOT Project. MiDA will continue to engage with NEDCo Staff to enhance a smooth Compact Implementation.
- Ghana has been classified under Tier 2 for Child Slavery for three (3) consecutive years. Ghana could lose US funding if it does not make maximum efforts to address issues of human trafficking in the country. MiDA would have to intensify its advocacy on this subject with Key Stakeholders.

## 5.0 PROJECTIONS FOR NEXT QUARTER

The following have been planned for completion in the 7<sup>th</sup> Quarter of Compact Activities. By the end of the Quarter:

- MiDA shall have concluded negotiation with the preferred Bidder for the ECG PSP Transaction Activity
- MiDA shall have issued Bid Documents for the following activities:
  - Meter Management System (MMS) project
  - Data Center and Communication Network upgrade
  - Pokuase BSP and Interconnecting Circuits
  - Achimota LV Bifurcation
  - Street Lighting Replacement
  - Outage Management System consultancy
  - Design of Internship and Mentorship Program (DIMP) consultancy
  - Data Quality Audit Consultancy
  - Pre-Tertiary School Curriculum Update on Energy Efficiency and Conservation Consultancy
- MiDA shall have executed contracts on the following activities:
  - Field Metering and Monitoring Studies
  - Supply of Test Equipment for ECG LCU
  - Gender Audit Consultancy
- MiDA shall have received the Final Report from Messrs. Fichtner on the Tariff Study and Tariff Plan (TSTP) Consultancy and thereafter closed out the Contract.
- SMEC shall have commenced Project Management services for the NFOT Project.
- MiDA shall have published the latest version of the MiDA Newsletter.
- MiDA shall have commenced the development of an Environmental and Social Management System (ESMS) on the NFOT Project. This activity is a Condition Precedent (CP) to disbursement of Program Funding for Works Contracts under the NFOT Project.
- MiDA shall have finalized and closeout the contract for the ESIA Consultancy on the Pokuase BSP Project.
- MCC shall have issued a Task Order to Messrs. CH2M to develop engineering design, technical specification and Scope of Works (SOW) for the Access Project.
- MiDA shall have issued Task Orders to the four (4) selected RCE Consultants to commence RCE Studies on the EFOT Project.
- MiDA shall have signed IEAs with MoEn and AG's Department.