



SUMMARY OF THE 10TH MEETING OF THE BOARD OF DIRECTORS OF THE MILLENNIUM DEVELOPMENT AUTHORITY

MARCH 2, 2016

3:00 P.M., MiDA BOARD ROOM, ACCRA

The following is the summary of the 10th meeting of the Board of Directors of the Millennium Development Authority (“MiDA”) held at the MiDA Board Room, Accra on the above-mentioned date and time and for which Notice was duly given in writing on February 23, 2016.

The meeting was convened pursuant to (i) the Millennium Challenge Compact between the United States of America, acting through the Millennium Challenge Corporation (“MCC”), and the Government of the Republic of Ghana (the “*Government*”), executed on August 5, 2014 (the “*Compact*”); and (ii) the Program Implementation Agreement, by and between the United States of America, acting through MCC, and the Republic of Ghana, dated August 5, 2014 (the “*PIA*”). Capitalized terms used but not defined herein shall have the meanings given such terms in the Compact.

1. BOARD MEMBERS PRESENT AT THE MEETING:

VOTING MEMBERS

- Prof. Samuel Sefa-Dedeh, Chairman of the Board, Government of Ghana Principal Representative
- Hon. Emmanuel Armah-Kofi Buah, Minister of Petroleum
- Mr. Mawutor Ablo, Representative for Minister of Gender, Children and Social Protection
- Dr. Alfred K. Ahenkorah, Representative for Minister of Power
- Mr. Kwabena Boadu Oku-Afari, Representative for Minister of Finance
- Mr. George Ahadzie, Representative, Ghana Association of Private Voluntary
- Ing. Owura K. Sarfo, Chief Executive Officer, MiDA

APOLOGIES

- Ing. Isaac Kirk Koffi, Board Chair, Northern Electricity Distribution Company (NEDCO)
- Mrs. Elizabeth Feleke, MCC Deputy Resident Country Director (DRCD)

ABSENT

- Honourable Dr. Ekwow Spio- Garbrah, Minister for Trade and Industry
- Honourable Akwasi Opong-Fosu, Minister of State, Office of the President
- Daasebre Kwebu Ewusi VII, Board Chair, ECG

IN ATTENDANCE

- Mr. Lawrence Apaalse, Representative for Minister of Petroleum
- Ms. Yvonne Fiadjoe, Board Secretary, MiDA
- Mr. Julius Kpekpena, Chief Operating Officer, MiDA

2. DISCUSSION AND ACTION ITEMS

a. Approval of the Minutes of the 9th Board Meeting of January 27th, 2016.

The Board reviewed the Minutes of the meeting held on January 27th 2016 and approved same with some amendments.

b. Approval of the Minutes of the 5th Special Meeting of the Board held on November 5, 2015

The Board reviewed the Minutes of the 5th Special Meeting held on December 17, 2015 and approved same.

3. MATTERS ARISING:

a. Letter to Major Rtd. (Dr.) Alhaji Mustapha Ahmed

The CEO stated that the Honourable Minister of State was not present to discuss the matter, as required.

b. Update on Internal Audit

The Internal Audit Director stated that the audit team reviewed the Procurement Operations Manual (POM) and the procurement operations in order to ensure compliance. There were no major unsatisfactory findings. There were however areas which needed some improvement. Overall, an audit assessment of 'some improvement is needed' was given.

c. Update on Law Suit

The Secretary gave an update on the status of the lawsuit. The Board took notice of the update as presented.

d. Update on Constitution of ECG PSP Stakeholder Committee

The CEO explained that MiDA had received nominations from all the entities except the Private Enterprise Federation. The Chairman noted that since there were 5 out of 6 nominees, arrangements should be made for the committee to be inaugurated under the auspices of the Board.

e. Update on Discussions with MCC on the budget for the ECG IEA

The CEO explained that MiDA held discussions with MCC on the budget and agreement had been reached. The issue related to the movement of some budget items from year 3 to year 2 and this had been resolved.

f. Cabinet Memorandum on PSP

The CEO explained that MiDA was informed about Cabinet's decisions pertaining to the ECG PSP transaction. The decision by cabinet was taken on February 11th. MiDA had transmitted the decisions of Cabinet to the transaction advisor.

g. ECG PSP Transaction Approval Steps

The Board deferred this discussion in light of the discussions concerning the Cabinet memorandum on the ECG PSP transaction.

h. Update on Ratification of the Compact in accordance with Article 75 of the Constitution

The Board was advised that MiDA had worked closely with the Minister of State in the Office of the President and the Ministry of Finance on the ratification memorandum and MiDA is awaiting the official resolution from Parliament ratifying the Compact.

i. Update on Entry into Force and fulfilment of Conditions Precedent to First Disbursement

The CEO provided updates on the following key areas:

- Gas action plan
- Gas Sector Master Plan
- Quarterly Tariff Adjustment
- Electricit Distribution Utility Payment Arrears

j. GIS Consultant

The MiDA Board at its 7th Board Meeting, approved CIF Procurement Plan No. 1, Amendment No. 5 which among other things included the selection of an Individual Consultant to review the current situation in the ECG system and based on the findings, design the system requirements for the ECG GIS for the Ghana Power Compact. The Board was informed that MCC had given their approval for the reallocation of resources for the GIS consultant.

4. APPROVAL OF COMPACT IMPLEMENTATION FUNDING (CIF) DISBURSEMENT REQUEST NUMBER 5

The CFO explained that MiDA was requesting the Board to approve commitments and spending authority for the period April 1, 2016 to June 30, 2016. As part of this same QDRP process, MiDA was asking MCC for a reallocation of funds to cover shortfalls in Program Administration budget (including Procurement and Fiscal Agent Fees). The Board gave its approval as requested.

5. APPROVAL OF THIRD CIF PROCUREMENT PLAN (APRIL 2016 TO SEPTEMBER 2016)

The Director of Procurement presented the proposed plan. He explained that the current Procurement Plan expires at the end of March. He noted that, the Procurement guidelines stipulate that every 6 months, a new procurement plan must be rolled out. The Board gave its approval on the proposed Procurement Plan.

6. OUTSTANDING FINANCIAL MATTERS FROM COMPACT 1

The CFO explained that there were some outstanding financial matters relating to the compact development period and Compact 1 that needed to be resolved. In December 2014, MiDA submitted outstanding invoices to Government and Government had asked the Ministry of Finance to make the payments on those invoices. One outstanding issue, amongst others however pertained to the rent for the office premises.

The Chairman took note of MiDA's request and requested an audit of all these activities.

7. EMERGING POWER SECTOR ISSUES AND IMPACT ON ECG PSP

The CEO noted that over the past several months, there were two issues ongoing in the power sector namely the

debt restructuring and the cash waterfall, for which MiDA required clarity so as to ascertain that these would not have an adverse impact on the Compact's activities.

The Chairman directed the Representative for the Minister of Power and the Representative for the Minister of Finance to discuss the issues in their respective ministries and then help the Board to get MiDA involved in the discussion on the debt restructuring and cash waterfall.

8. ECG TRANSITIONAL PLAN

The CEO explained that when the MiDA and ECG Boards met, it was agreed that there would be an ECG transitional plan between now and when the Concession was expected to begin. The Chairman stated that there should be some further discussion with the ECG Board on the matter.

9. ECG PSP EVALUATION PANEL FOR THE RfQ AND RfP

The CEO proposed that since there was some time to determine the composition of the evaluation panel for the RfP, that matter could be deferred to another Board discussion. However, it was important to determine immediately the composition of the RfQ evaluation panel. The CEO explained the proposed composition, as indicated in the Board memorandum. The Chairman stated that the panel should be increased from the proposed 5 members to a 7 member team.

10. PROCESS FOR THE APPOINTMENT OF BOARD MEMBERS

The Chairman reported that he had written to the President about the issues concerning the appointment of Board members. The CEO explained that MiDA had received the nominations from PEF and received MCC's no objection for the nominee.