



**MILLENNIUM DEVELOPMENT AUTHORITY
(MiDA)**

GHANA COMPACT II

Quarterly Progress Report

January – March 2017

Ghana Compact II Theme

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

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GLOSSARY OF ABBREVIATIONS

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

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

EXECUTIVE SUMMARY

Introduction

This Progress Report covers the period from January 1 to March 31, 2017 and captures activities undertaken by the Millennium Development Authority (MiDA) toward the implementation of the Compact Program. These includes activities related to the following:-

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

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

Highlight of Previous Quarter Activities

During the previous quarter which marked the 4th quarter of 2016, MiDA achieved significant progress particularly meeting the Condition Precedents (CPs) to the second disbursement of Program Funding. The following indicates some of the major activities accomplished:

- A Request for Proposals (RfP) for a GIS Contractor was launched. MiDA received Bids and commenced evaluation
- MiDA selected a winning bidder, Messrs SMEC International, for the Program Management Consultancy (PMC)
- MiDA launched RfP for a Power Sector Capacity Scan (Cap-scan) study, received bids, conducted evaluation, and selected a successful bidder
- RfP for a Street-lighting Project was launched. Bids were received, evaluated and a successful bidder selected
- MiDA launched RfP for the Upgrade of Data Center and Communication Network Consultancy Activity
- The Ministry of Power (MoP) and MiDA both signed an Implementing Entity Agreement (IEA) which led to the completion of this Condition Precedent to Program Funding
- MiDA and Energy Commission both executed an IEA between them. This led to the completion of the Condition Precedent to Program Funding for the Energy Efficiency and Demand Side Management Project.

- A Memorandum of Understanding (MoU) between MiDA and NDPC was executed by both parties
- IEA between Environmental Protection Agency (EPA) and MiDA was executed by both parties.
- The Access Project Consultant commenced work and completed Phase I of the Project Design assignment which included the screening and selection of the Markets and Economic Enclaves
- A Stakeholder Briefing session was held to close out the Consultant's assignment on the redesign of the NEDCo Financial and Operational Turnaround (NFOT) Project.

Summary of Activities during Reporting Quarter

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

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

Critical Issues/Risks

The following were critical issues which required some attention during the 1st quarter, 2017:

- MiDA required ECG support to grant shortlisted bidders in the ECG Concession access to the Physical Data Room located at the ECG Head Office in the Electro-Volta House. Access to the data room is necessary to enable the bidders conduct due diligence on ECG as part of the bidding process
- MiDA needed to conclude and implement mitigation measures to manage Conflict of Interest that had arisen because of IFC's conflicting role as both Transaction Advisor and Investor. Effectively managing this conflict is critical to safeguarding the integrity of the ECG PSP Transaction.

- MiDA's relationship with some Implementing Entities was critical in relation to their cooperation and commitment to the success of the Compact Program
- MiDA needed ECG Management and PUWU's permission to engage directly with ECG staff and Union members. MiDA will continue to push for direct engagement with ECG staff
- The PMC Bid Challenge affected the project timelines since MiDA was required to suspend Contract signing with Messrs. SMEC International. Once the challenge is finally resolved, MiDA will have to find strategies to regain lost time

Projections for 2nd Quarter of 2017

The following have been planned for completion in the 2nd Quarter of 2017. By the end of the quarter,

- Bidders Conferences shall have been held for the ECG Private Sector Participation (PSP) Transaction.
- The Physical Data rooms shall have been opened to Bidders for the ECG PSP.
- MiDA will have concluded discussions with IFC on measures to mitigate the IFC COI
- All remaining IEAs that are CPs to disbursements of Program Funding shall have been completed and signed
- Contract for Program Management Consultancy Services, Geographic Information System (GIS) for ECG, Upgrade of ECG Data Centre and Communication Networks, Power Sector Capacity Scan (CAP-Scan) shall have been signed
- RfP shall have been launched to procure Technical Advisors (TAs) for ECG
- RfP for Street-lighting Replacement Consultancy shall have been relaunched
- The Program Management Consultancy Services, Geographic Information System (GIS) for ECG, Consultant for Upgrade of ECG Data Centre and Communication Networks, and Power Sector Capacity Scan (CAP-Scan) shall have commenced work. The Access Project Design Consultant shall have commenced the Phase III of the services which include the Preliminary/Detailed designs of the Markets and Economic Enclaves.
- The Social and Gender Integration Plan (SGIP) shall have been approved
- The RfP for Institutionalizing Gender Responsiveness shall have been issued
- An Environmental and Social Management System (ESMS) for ECG shall have been completed and approved
- MiDA shall have issued RfP for the Resettlement Action Plan (RAP) Consultancy and Environment, Social, and Health (ESH) Consultancy.
- MiDA shall have executed IEAs with Lands Commission and Ministry of Education (MoEd)

GHANA COMPACT II

1.1 INTRODUCTION

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

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

The Compact Program has a budget of \$498.2 million consisting of two Tranches of Program Funding amounting to \$469.3 million and a Compact Implementation Funding (CIF) of \$28.9 million. In addition, there will be a Government of Ghana (GoG) contribution of no less than 7.5% (i.e. \$37.4 million).

Following the signing of the Compact and having met certain Conditions Precedent (CPs) to Compact Implementation Funding, the Millennium Development Authority (MiDA) as the designated Accountable Entity for the implementation of the Compact entered the Compact Implementation Funding (CIF) period. MiDA worked hard to achieve Entry into Force in September 2016. In this reporting period which marks the First Quarter of 2017, key activities related to the following were undertaken:

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

1.2 Preparation towards Third Disbursement of Program Funding

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

The table below summarizes the status of these CPs.

Status of CPs to third Disbursement of Funding

Condition Precedent to Disbursement of Third Funding	4th Quarter (2016) Status	1st Quarter (2017) Progress
The Government had implemented the Quarterly tariff adjustments in accordance with the existing automatic tariff adjustment since the Compact entered into Force	On Track	On Track
Each of the Key Staff has been engaged, or if a position is vacant, MiDA is actively engaged to MCC's satisfaction, in recruiting a replacement	Satisfied	Satisfied
The Government must not have engaged in actions inconsistent with the Eligibility criteria for MCC Funding	Satisfied	Satisfied
Government has substantially complied with Electric Distribution Utility Payment Action Plan	Satisfied	Government in arrears
Government has substantially complied with the Gas Action Plan and the Gas Master Plan	On Track	On Track
MiDA must have ensured that the Implementation Plan Documents and Fiscal Accountability Plan are current and updated and are in form and substance satisfactory to MCC	On Track	On Track
MiDA must have ensured that all Government entities involved in the implementation of the Program, including the Implementing Entities are coordinating successfully with MiDA.	On Track	On Track
Implementing Entity Agreement signed with PURC	Pending	Pending

2.1 PROGRAM ACTIVITIES

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

2.2 Distribution Projects

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

Status and Progress of Ongoing Program Activities

Project	4 th Quarter Status (2016)	1 st Quarter Progress (2017)
Distribution Projects		
ECG PSP Transaction	<p>MiDA had called off the first bidders’ conference following the launching of the RfP for the ECG-PSP Transaction Activity.</p> <p>MiDA continued to conduct due diligence on Shortlisted bidders until a new date is scheduled for the first bidders’ conference</p>	MiDA continued to conduct due diligence on Shortlisted bidders.
Geographic Information System (GIS)	MiDA commenced Bid evaluation but had to suspend the process due to a bid challenge from one of the prospective bidders.	MiDA constituted a review committee to address the issue of bid challenge filed by Messrs. GE Smallworld.

		<p>Upon careful deliberations, MiDA dismissed the protest based on the Review Committee advice.</p> <p>The evaluation panel reconvened, completed the evaluation exercise, and submitted evaluation report to MiDA. Report was to be submitted to MCC for No Objection</p>
Upgrade of Data Centre & Communication Network	MiDA issued an RfP to procure the Consultant for this activity.	<p>MiDA received bids, conducted bid evaluation and received financial proposal from Highest Ranked Bidder.</p> <p>MiDA concluded contract negotiation with the successful bidder and forwarded a draft contract to MCC for No Objection</p>
Program Management Consultant (PMC)	<p>MiDA forwarded a Combined Evaluation Report to MCC which recommended Messrs. SMEC as the successful bidder.</p> <p>MCC granted No Objection to the combined evaluation report to allow for Contract negotiation and Signing.</p>	<p>MiDA successfully concluded the Contract Negotiation with the selected bidder.</p> <p>Messrs AZOROM/SWECO filed a bid challenge against the intended contract award, prompting automatic suspension of the Procurement process.</p> <p>MiDA issued a decision to Azorum after going through due process and Azorum responded to the decision with an appeal. MiDA constituted an Appeals Panel in accordance with BCS. The Panel was yet to submit report</p>

Redesign of the NEDCo Financial and Operational Turnaround Project	CH2M satisfactorily completed all deliverables for the Feasibility Studies MiDA held a Stakeholders' Briefing session with NEDCo, VRA and MCC.	MCC approved the Redesign NFOT Project. A Draft Implementation Letter was submitted by MCC to support the decision and was under MiDA's review.
Design of the Access Project	MCC signed a Contract with Messrs. CH2M to undertake the Access Project Design CH2M completed the Phase I of the assignment which included the Screening and Selection of Markets and Economic Enclaves	CH2M/NRECA completed the Phase II of the assignment which included the On-Site field Survey, the Infrastructural Audit and Institutional Assessment. The consultant was yet to submit the final report.

2.3 Generation Projects

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

Status and Progress of Ongoing Program Activities

Project		4 th Quarter Status (2016)	1 st Quarter Progress (2017)
Generation Project			
Tariff Study and Tariff Plan		Following Contract signing, Messrs Fichtner submitted a Draft Inception Report to MiDA for review and comments. Copies of the report were forwarded to PURC for their reviews and comments.	Both MiDA and PURC agreed on the final comments and forwarded same to Messrs Fichtner for redress. The Consultant arrived in Ghana, engaged

Project	4 th Quarter Status (2016)	1 st Quarter Progress (2017)
		<p>PURC/MiDA and discussed the way forward on the remaining deliverables.</p> <p>The Consultant's Local counterpart commenced the survey works in Kumasi area including the testing of survey questionnaires.</p> <p>MiDA obtained a draft copy of PURC's Rate Setting Guidelines for Electricity Distribution Utilities and Electricity Retail Sale Licenses</p>
Cap-Scan	<p>MiDA launched the RfP, opened Bids and conducted Bid Evaluation which led to the selection of Messrs CRISIL as the Successful Bidder</p>	<p>MiDA concluded Contract negotiation with the selected bidder and received approval to award contract from the MiDA Board.</p>
Sector Planning and IPP Framework	<p>A Workshop was held for Stakeholders to discuss the selection of the appropriate Integrated Planning Model (IPM) tools for the Integrated Resource and Resilient Plan (IRRP).</p>	<p>MiDA continued to collaborate with ICF and USAID on this activity. However, not much progress was achieved on this activity during the reporting period</p>
Street lighting	<p>The RfP was launched, bids opened, and evaluation completed.</p> <p>MiDA selected Messrs. SMEC as the winning bidder</p>	<p>The Price quoted by the Selected Bidder Messrs SMEC was about 160% over and above the allocated budget.</p> <p>MiDA and SMEC were unable to reach agreement.</p> <p>MiDA and MCC agreed to revise the ToR and re-launch a new RfP.</p> <p>MiDA continued to revise</p>

Project	4 th Quarter Status (2016)	1 st Quarter Progress (2017)
		and finalize the ToR/RfP for re-launching

2.4 Environment and Social Performance

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

Following the approval of ECG Environment, Social, Health, and Safety (ESHS) Staff capacity assessment report, MiDA engaged with ECG to develop an Action Plan to address the identified gaps and recommendations in accordance with the report.

MiDA and ECG collaborated to develop an acceptable Environment and Social Management System (ESMS) for ECG. ESMS is a CP for Program Funding for all works contracts under the EFOT Project.

2.5 Gender and Social Inclusion

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

MiDA developed a Job Description for recruiting ECG Gender Focal Person (GFP) and assisted ECG to use it to recruit the GFP.

MiDA marked the International Women’s Day (IWD) on March 8, 2017 with an outreach program at the Maamobi and Nima Markets. The forum sensitized the market women and men on Human Trafficking.

3.0 MONITORING AND EVALUATION

Following the approval of the Monitoring and Evaluation (M&E) Plan, MiDA commenced works to collect and assess the quality of data for the Indicator Tracking Table (ITT). The ITT is a report that tracks progress on the indicators included in the M&E Plan. The indicators are quantitative or qualitative variables that measures achievement of the interventions under the Compact.

4.0 COMMUNICATIONS AND OUTREACH

The Unit developed a government relations strategy which received Management approval in January for its implementation. The goal of the strategy was to position MiDA and Compact 2 positively in the minds of key stakeholders through effective strategic engagement with the

new leadership. The strategy involved sharing of factual information about the ECG PSP Transaction with identified stakeholders, gauging the opinion of the identified stakeholders and identifying emerging issues and new stakeholders to engage for the effective implementation of the transaction process and other critical Compact activities.

As part of the strategy, MiDA engaged with key decision-makers such as The Vice President of Ghana, Chief of Staff, Ministers of Finance, Ministers of Trade & Industry, Minister of Gender, Children and Social Protection, Minister of Energy, TUC Secretary General, and traditional leaders such as Okyenehene.

During the quarter, MiDA continued to monitor the media landscape for opportunities and threats to the Compact and MiDA's reputation and responded appropriately to media coverage.

5.0 PROCUREMENT

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

MiDA sent letters to all Shortlisted Bidders for the ECG PSP on January 30, 2017 to update them on the status of the selection process

MiDA organized a workshop for both local and foreign bidders prospecting to participate in future tenders. The objective of the workshop was to orient the prospective bidders on MiDA/MCC Procurement Guidelines and procedures to enable them participate effectively. The program was well attended with a total turnout of 158No participants.

MiDA signed contracts with the six (6) Independent Reviewers who were selected and approved to serve as arbiters if any MiDA procurement action is challenged and MiDA's decision on the challenged procurement is appealed.. MiDA held a day orientation workshop for the Panel on MCC Procurement Guidelines and Procedures.

MiDA received a final approval for Compact Procurement Plan [No.5] for the period April 1, 2017 to September 30, 2017 from MiDA Board and forwarded same to MCC for No Objection.

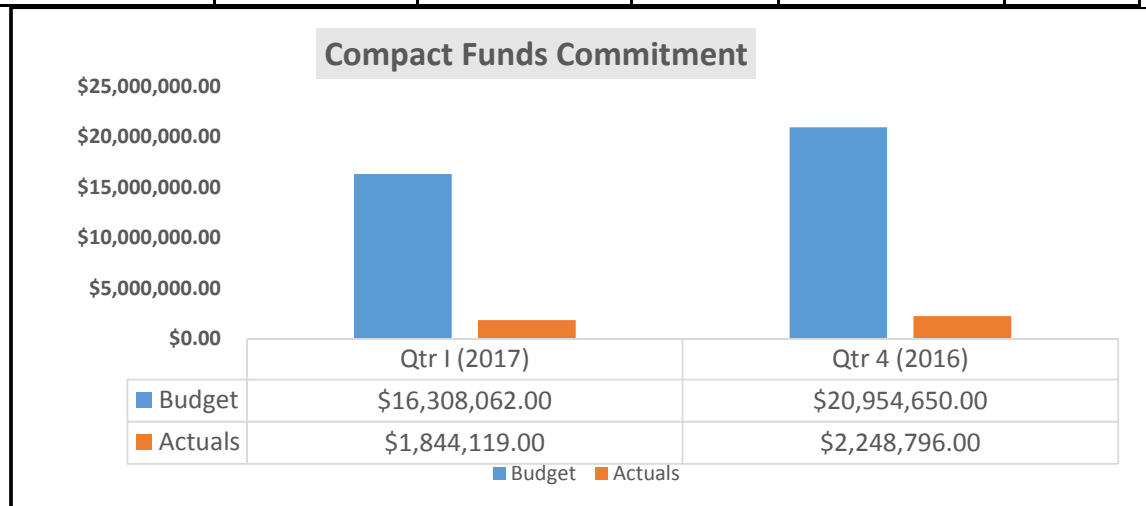
6.0 FINANCIAL MANAGEMENT AND ADMINISTRATION

The Compact Program has a budget of \$498.2 million consisting of two Tranches of Program Funding amounting to \$469.3 million and a Compact Implementation Funding (CIF) of \$28.9 million. In addition, there will be a Government of Ghana (GoG) contribution of no less than 7.5% (i.e. \$37.4 million). The update on commitments and other related activities are as follows:

6.1 Commitment of Compact Funds

Figure 1

Qtr	Budget	Actuals	% Variance	Cumulative Commitments	% Compact Funds
Qtr 1 (2017)	\$16,308,062.00	\$1,844,119.00	88.69%	\$20,237,899.00	3.78%
Qtr 4(2016)	\$20,954,650.00	\$2,248,796.00	89.27%	\$18,473,434.00	3.45%



In this reporting quarter which marked the first Quarter of 2017, MiDA observed a variance of 88.69% which was attributed to delays in signing a number of consultancy assignments. These assignments include the Program Management Consultant, Upgrade of ECG Data Centre and Communications network, Design of Specifications and Supervision of Street lighting Project, and Supply and Installation of Geographic Information System. As a result of the delays, contracts were not signed for these activities and therefore left a commitment gap as represented above. Efforts will be made to catch up in the next quarter.

The delay in the procurement of the Program Management Consultant (PMC) also led to a huge disbursement variance of **89.27%**. Efforts will be made in the next quarter to catch up. MiDA made a cumulative commitment of **\$20,237,899** at the end of the first quarter of 2017 representing **3.78%** 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 and
- Program Administration.

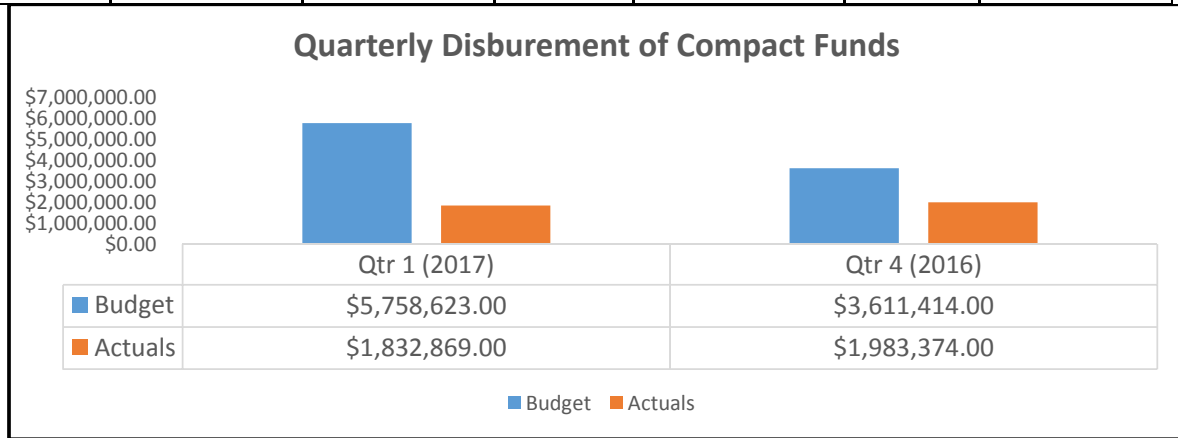
The signed contract under the EFOT Project is for the ECG PSP Transaction Advisory Services and GIS information Systems Consultancy. The signed Contract under M & E is

related to the Data Quality Review Consultancy. The Program Administration portion is related to the SITA Corp and Iron Vine contracts for IT Services, Procurement and Fiscal Agent Services and SGIP Consultancy

6.2 Disbursement of Compact Funds

Figure 2

Quarter	Budget	Actuals	% Variance	Accumulated Amount from Inception to the End of Qtr	% Compact Funds	Disbursement Request for Next Qtr
Qtr 1 (2017)	\$5,758,623.00	\$1,832,869.00	68.17%	\$17,682,867.00	3.30%	\$4,503,201.82
Qtr 4 (2016)	\$3,611,414.00	\$1,983,374.00	45.08%	\$15,860,723.00	2.96%	\$5,758,712.51



In this reporting Quarter, a disbursement gap hovering around 68% (As shown in Figure 3&4) was due to projected outlay for the Program Management Consultant (PMC) which Contract signing was delayed by a bid protest and the Tariff Study/Tariff Plan Consultancy which had seen some delays in its implementation.

At the last Quarter of 2016, a 45.08% (shown in Figure 3&4) disbursement budgetary variance was related to projected outlay for the ECG-PSP Transaction Advisory Services, Tariff Study/Tariff Plan Consultancy, and SGIP Consultancy which did not materialize due to delays in their implementation. Also, portion of the variance was due to the fact that MiDA was unable to commit funds to procure the PMC and hence no disbursement was made.

A total accumulated disbursement of about \$15,860,723.00 was made at the end of the Year 2016 representing 2.96% of the total Compact Funds as against a total accumulated disbursement of \$17,682,867.00 yielded within the reporting quarter. This resulted in an increase of 11.49% in accumulated disbursement from the previous to the reporting quarter.

The Disbursement Request for the 2nd Quarter (*April – June 2017*) amounting to **\$4,503,201.82** was submitted and awaiting approval by MCC.

6.3 Government Payment and Budgets

Budget allocation to MiDA by the Ministry of Finance (MoF) for 2017 was captured in the Ghana Integrated Financial Management Information System (GIFMIS). This was followed by the 2017 Medium Term Expenditure Framework (MTEF) Budget Hearing at the Parliamentary level, organized by the Parliamentary Select Committee on Finance. The Finance Team and the CEO were present at the Parliament house for the budget hearing.

6.4 Administration and Human Resources

There were two (2) confirmations and seven (7) contract extensions outstanding. Contracts of 57 employees (representing 95% of the total staff strength) have been renewed for another year. MiDA has confirmed appointments of Fifty-Eight (58) employees (representing 96% of the total staff strength) and issued letters to them accordingly. Flexible work schedules had been approved for ten staff representing 17% of the total staff.

7.0 LEGAL AND GOVERNANCE

Under the legal department, several legal issues were addressed during the fourth quarter. The General Counsel participated in a number of meetings to review and provide advice on the bid challenge from AZOROM/SWECO. MiDA issued a decision to Azorom after going through due process and Azorom responded to the decision with an appeal. MiDA constituted an Appeals Panel in accordance with BCS. The Panel was yet to submit its report.

MiDA Board of Directors held its 14th Regular Meeting and the 13th Special Meeting on March 21, 2017 and March 29, 2017 respectively.

During the course of the quarter, the Legal Department participated in an orientation workshop organized by the Procurement Department for the Independent Review Panel (IRP) on the MiDA Bid Challenge System (BCS). The department prepared and delivered a presentation to the six members of the IRP on various aspects of the Bid Challenge process in particular the role, authority, powers and responsibility of the IRP in the appeal process.

The reporting period also witnessed a number of lawsuits against aspects of the Compact. The case by Professor Agyeman Badu Akosah and four (4) others against the ECG-PSP of which the court ruled that MiDA was not a necessary party for the suit. The case filed by Centre for Agriculture and Rural Development against MiDA and ACPC was adjourned to June 20, 2017. The case by Marine Associated Limited against MiDA was adjourned to April 11, 2017. The case by Edward Penu against Ghana Highways Authority & MiDA was also adjourned to May 19, 2017.

8.0 CRITICAL ISSUES

The following were critical issues which required some attention during the 1st quarter 2017

- The most critical issue at the moment is for Government to lead Compact implementation, especially direction and communication on the ECG PSP. MiDA must work hard and strategically to secure that ownership
- MiDA required ECG support to grant shortlisted bidders in the ECG Concession access to the Physical Data Room located at the ECG Head Office in the Electro-Volta House. The access to the data room is necessary to enable the bidders conduct due diligence on ECG as part of the bidding process
- MiDA needed to finalize and implement mitigation measures to manage Conflict of Interest that has arisen because of IFC's conflicting role as both Transaction Advisor and Investor. Effectively managing this conflict is critical to safeguarding the integrity of the ECG PSP Transaction.
- MiDA's relationship with some Implementing Entities is critical in relation to their cooperation and commitment to the success of the Compact Program
- MiDA needed ECG Management and PUWU's permission to engage directly with the ECG staff and Union members. MiDA will continue to push for direct engagement

- with ECG staff
- The PMC Bid Challenge affected the project timelines since MiDA suspended Contract signing with Messrs. SMEC. Once the challenge is finally resolved, MiDA will have to adopt strategies to restore the lost time back.

9.0 PROJECTIONS FOR NEXT QUARTER

The following have been planned for completion in the 2nd Quarter 2017. By the end of the quarter,

- Bidders Conferences shall have been held for the ECG Private Sector Participation (PSP) Transaction.
- Virtual and Physical Data rooms shall have been opened to Bidders for the ECG PSP.
- Mitigation measures in respect of IFC Conflict of Interest issues shall have been finalized
- All remaining IEAs that are CPs to disbursements of Program Funding shall have been completed and signed
- Contract for Program Management Consultancy Services, Geographic Information System (GIS) for ECG, Upgrade of ECG Data Centre and Communication Networks, Power Sector Capacity Scan (Cap-Scan) shall have been signed
- RfP shall have been launched to procure a set of Technical Advisors for ECG
- RfP for the Street-lighting Replacement Consultancy shall have been re-launched
- The Program Management Consultancy Services, Geographic Information System (GIS) for ECG, Consultant for Upgrade of ECG Data Centre and Communication Networks, and Power Sector Capacity Scan (Cap-Scan) shall have commenced services
- The Access Project Consultant shall have commenced the Phase III of the services which include the Preliminary and Detailed designs of the Markets and Economic Enclaves
- The Social and Gender Integration Plan (SGIP) shall have been approved
- The RfP for Institutionalizing Gender Responsiveness shall have been issued
- An Environmental and Social Management System (ESMS) for ECG shall have been completed and approved
- MiDA shall have issued RfP for the Resettlement Action Plan (RAP) Consultancy and Environment, Social, and Health (ESH) Consultancy.
- MiDA shall have executed the IEA with Lands Commission and Ministry of Education
- A Procurement Plan for the period April 1, 2017 to September 30, 2017 shall have been put in place