



**17th Meeting of the Board of Directors
of TRANSCO CLSG**

Final Report

Abidjan, June 25, 2018

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I. INTRODUCTION

1. The Regional Electricity Transmission Company, "TRANSCO CLSG" held its seventeenth Board of Directors meeting at TRANSCO CLSG's Headquarters in Abidjan, on June 25, 2018.
2. All Board Directors or their representatives attended the meeting
3. The list of participants is attached as Annex A to this report.
4. After verification, it was noted that the representative of one of the members that were absent, was duly endowed with a power of attorney, therefore, the required quorum was reached and, the Board of Directors could validly sit and deliberate.
5. The Chairman of the Board of Directors, Mr. Amidou Traoré, CEO of CI-ENERGIES chaired the meeting.
6. During his usual welcoming statement, the Chairman of the Board of Directors introduced and welcomed the representative of the Shareholder LEC, Mr. John Ashley, Board Member who was attending the board meeting for the first time. Mr. John Ashley briefly presented himself and referred to the reason for his appointment as Chief Executive Officer of LEC, which is mainly explained by the signature of a management contract between his company of origin and LEC for an initial period of three (3) extendable to two (2) other years.
7. The Chairman of the Board of Directors also congratulated the Management of TRANSCO CLSG for his new headquarters. He closed his remarks by reminding Board Members that the year 2017 saw the effective start of the construction works on the TRANSCO CLSG line in the four (4) countries and the holding of four (4) Boards of Directors Meetings as well as two (2) Shareholders 'Meetings.
8. The agenda below was unanimously adopted:
 - a) Review and adoption of the report of the 16th Board Meeting of TRANSCO CLSG;
 - b) Presentation and adoption of the General Manager interim report for 2018;
 - c) Presentation and adoption of TRANSCO CLSG's Financial Statements for 2017;
 - d) Presentation and adoption of the Financial Statements of the CLSG project for 2017;
 - e) Review and adoption of the reports of the committees of the Board of Directors;
 - f) Signature of Resolutions.

II. OUTCOMES OF THE MEETING

Item A: Review and adoption of the reports of the committees of the Board of Directors of TRANSCO CLSG.

9. After review and amendment, the report of the 16th Board Meeting held on December 11, 2017, was adopted.



Item B: Presentation and adoption of the General Manager interim report for 2018.

10. The General Manager of TRANSCO CLSG presented his interim activities' report. The Board noted that significant progress was made over the reporting period particularly the launching of the construction works by the EPC contractors in the four (4) countries involved in the CLSG project.
11. Indeed, out of a total of thirteen (13) EPC contracts, ten (10) were signed, including six (6) Transmission Lines contracts, two (2) out of three (3) Substations contracts, one (1) SVC contract and one (1) SCADA contract.
12. Regarding the implementation of the Resettlement Action Plan (RAP), the Board of Directors noted that compensation activities had been initiated in the four (4) countries. Indeed, 1379 persons affected by the project on a section of 414 km were compensated. Similarly, persons affected by the project (PAPs) were compensated for six (6) out of eleven (11) Substations sites.
13. The Board of Directors was informed that with regard to the implementation of the Environmental and Social Management Plan (ESMP), a major step forward is to be noted through the establishment of a baseline database for the monitoring of the components such as water, air, noise, vegetation and wildlife
14. In addition, the Management of TRANSCO CLSG signed a Memorandum of Understanding (MoU) with the countries' Environmental Protection Agencies (EPA) to supervise the environmental activities of all contracts. The Management also signed MoU with Ministries in charge of Forest (Forest Departments) for compensatory reforestation activities during the construction period.
15. The General Manager informed the Board of Directors that civil works are ongoing as well as the manufacturing of materials and equipment. A key milestone has been reached with the commencement of delivery of materials and equipment on the project sites in Liberia and Sierra Leone.
16. The Board of Directors noted that, in terms of administrative management, the Management of TRANSCO CLSG adopted and installed a robust and automated documents management and workflow system called M-Files. This marks the start of an automated management process and improvement of efficiency and reduction of expenditure.
17. In addition, TRANSCO CLSG Management completed the installation of the intercom at Headquarters and in the Country Offices via the use of VoIP telephone lines, for the needs of transparent communication between staff and, by the same time, to reduce the cost of calls. Likewise, a video teleconference system was installed to allow direct and visual interaction between Headquarters and Country Offices, as well as with project Stakeholders including Donors.
18. The Board was reminded that, with regard to financial management, TRANSCO CLSG Management was able to obtain additional funds for the project and the agreements were signed between the World Bank and the governments of Liberia and Sierra Leone. The process to ratify these financing agreements has been delayed by political transitions in



these countries. However, efforts are being undertaken by Government Authorities to expedite the process for the ratification of these agreements.

19. The Board also noted that, in view of the progress made so far in the procurement and the implementation of EPC contracts, disbursements of funds to the project increased from US\$116.9 Million on December 31, 2017 to US\$124 Million as at March 31, 2018.
20. Regarding to internal and external audits, the Board was informed that the external audit for the year 2017 was completed and the Internal Audit function continues to strengthen the internal control environment within the company. From January to June 2018, the Internal Auditor conducted a review of the activities of ESMP and RAP activities and conducted monitoring activities on recommendations in several areas and has updated internal audit reports.
21. The Board noted that the Management of TRANSCO CLSG started the recruitment process for the O&M Operator and the External Auditor for the second phase of the Audit Services. A batch of draft documents (draft Terms of Reference, REOI, RFP) relating to the recruitment of the External Auditor was submitted to Donors (World Bank and African Development Bank).
22. The General Manager also informed the Board that a Taskforce had been set up by the Board to undertake missions in Guinea, Liberia and Sierra Leone in order to identify the national projects to be connected to CLSG Network and propose a framework for the coordination of the implementation of these projects in synergy with the CLSG project. The mission had fruitful discussions with the concerned authorities.
23. Finally, the Board noted with satisfaction that TRANSCO CLSG continues to work closely with Donors, EPC contractors and national and regional stakeholders to address the challenges faced within the implementation of the CLSG project.
24. After congratulating TRANSCO CLSG's Management, the Board of Directors adopted the General Manager's interim activities report for 2018

Point C: Presentation and adoption of TRANSCO CLSG Financial Statements for 2017

25. The representative of the External Auditor, Price Waterhouse Coopers (PWC), presented the report on TRANSCO CLSG financial statements for 2017.
26. The Board noted that TRANSCO CLSG financial statements as at December 31, 2017 are regular and sincere and reflect in all key aspects a true and fair view of the financial position of the company and its financial performance and cash flows.
27. The Board of Directors also noted that the audit was conducted in accordance with International Standards on Auditing (IAS) and that the financial statements have been prepared in accordance with IFRS. No significant misstatement was reported by the External Auditor.
28. The Board of Directors, after review, adopted the report of the External Auditor on TRANSCO CLSG financial statements for 2017.



Point D: Presentation and adoption of financial statements of the CLSG project for 2017

29. The representative of the External Auditor Price Waterhouse Coopers (PWC) presented the report on the CLSG Project financial statements for the year 2017.
30. The Board of Directors noted that the financial statement of the CLSG Project as at December 31, 2017 are consistent and accurate and reflect in all aspects a true and fair view of the financial position of the Company and its financial performance and cash flows.
31. The Board of Directors also noted that the audit was conducted in accordance with the International Standards on Auditing (ISA) and that the financial statements have been prepared in accordance with IPSAS. No significant misstatement was reported by the External Auditor.
32. The Board of Directors, after review, adopted the External Auditor's report on the CLSG Project financial statement for 2017.
33. At the end of the presentations and given that the mandate of the External Auditor expires, the Board of Directors thanked PWC for the good and loyal services rendered during its term of office.

Item E: Review and adoption of the reports of the committees of the Board of Directors

a) Audit and Good Governance Committee

34. The Chairman of the Audit and Good Governance Committee presented the report of the Committee relating to the adoption of the external audit reports on both financial statements for TRANSCO CLSG and the CLSG Project for 2017 as well as the internal audit reports for the first quarter 2018.
35. The Board of Directors noted that with regard to the internal audit, the Auditor presented the report on the Environmental and Social Management Plan (ESMP) & the Resettlement Action Plan (RAP) of the CLSG Project and a report on an update of the Status of the implementation of the recommendations made during the previous audits.
36. The Board of Directors noted that internal audit reports have been prepared in compliance with the International Audit Standards and that TRANSCO CLSG Management has taken significant steps in implementing the recommendations made during the previous audits.
37. The Board of Directors noted that the Committee made new recommendations to the TRANSCO CLSG Management namely:
 - Have working sessions with the External Auditor to agree on a method for a better accounting of contract costs, and then use this method in an efficient manner;
 - Collaborate with the External Auditor for the preparation of the internal controls' tools necessary for the accounting of contract-related expenses;

- Find a solution for a better codification of project expenditures in order to facilitate the identification of these expenses in relation to the expenditure of TRANSCO CLSG in the general ledger.

38. After review, the Board of Directors adopted the report of the Audit and Good Governance committee and consequently, Internal and External Auditors Reports, subject to the inclusion of the above-mentioned recommendations for the attention of TRANSCO CLSG Management of.

b) Technical committee

39. Prior to the presentation of the Technical committee Report by the Interim Chairman of the said Committee, the General Manager, by way of introduction, referred to the sequencing of the EPC contracts effective dates and those relating to the commissioning of infrastructures of the CLSG transmission line. To this end, the Board of Directors noted that the date of commissioning of the first works is estimated at June 2019 (Mount-Coffee Substation) and the latter is scheduled for May 2020.
40. However, these deadlines may be reduced if Donors no longer have delays in providing Non-objection (NO) as well as providing disbursement of funds (advance payments) and whether EPC contractors meet their contractual deadlines. Accordingly, the Board recommended that the Management of TRANSCO CLSG prepare a table summarizing the contractual deadlines related to the initial commitments and the forecast dates for the commissioning of the works due to delays attributable to Donors in order to enable the Board of Directors take corrective actions and engage them.
41. Following this introduction, the Interim Chairman of the Technical Committee presented the report of the Committee which focused on four (4) main points, namely the CLSG project implementation progress, the presentation of the Substations contract under AfDB funding, the presentation of the PAPs compensation process and the strategic Guidance report of the TaskForce of the Board of Directors on the synergy of the construction of the CLSG interconnection line with the development of HV/MV Networks in the member countries involved in the project.
42. The Board of Directors noted that significant progress has been made in the implementation of the CLSG project with the signing of ten (10) EPC contracts out of thirteen (13). The Board welcomed that the project is currently in the construction phase, including civil works and equipment manufacturing, and that a key milestone of implementation was achieved with the start of delivery of the equipment on the project sites in Liberia and Sierra Leone.
43. The Board also noted that the overall schedule of the project has been delayed due to various problems such as the delay in the effectiveness of contracts, delay in the procedures of Donors, delay in the signing of contracts Etc. However, the Management of TRANSCO CLSG undertook a series of actions to address these problems.
44. With regard to the AfDB Substations contract (SS AfDB 02), the Board of Directors was informed that its signature is a key milestone in the project implementation calendar. Indeed, the MAN Substation included in the scope, is the starting point of the CLSG line.

45. After review, the Board of Directors authorizes that the General Manager of TRANSCO CLSG to sign the Substations contracts (SS AfDB (& WB) 002-BIS) with the awarded company KEC International LTD.
46. With regard to the presentation of the PAPs compensation process, the Board of Directors noted that a technical note on the compensation of PAPs in the four (4) CLSG countries focusing on the compensation strategy, the methodology, the progress of PAPs compensations, the sites turn over and the challenges faced with had been presented by the Management of TRANSCO CLSG to the Committee.
47. The Board of Directors noted that, on the basis of the level of compensation made in the four (4) countries, the funds available will not be enough to cover the remaining PAPs to be compensated for the line and substations.
48. Also, after discussion, the Board of Directors adopted the technical report on the compensation of PAPs in the four (4) CLSG countries and authorized the TRANSCO CLSG General Manager to reallocate the available amounts allocated to the ESMP and RAP activities for the full payment of compensation to the people affected by the project. The General Manager must submit to the Board of Directors a detailed situation of the increase in compensation budgets taking into account the specific legal and regulatory requirements of each country.
49. Regarding the Strategic Orientation Report of the Task Force of the Board of Directors on the synergy of the construction of the CLSG interconnection line with the development of HV/MV networks in the member countries, the Board of Directors noted that a rotating mission composed of experts from CI-ENERGIES and TRANSCO CLSG, was undertaken in Liberia, Sierra Leone and Guinea in accordance with the action plan approved by the Chairman of the Board of Directors.
50. At the end of the aforementioned mission, the Task Force issued a Strategic Orientation Report. In this report, 64 national projects to be connected to the CLSG network were identified in the three (3) countries and it appeared that these national projects are divided into four (4) groups: ongoing projects , rural electrification of the CLSG component financed by the AfDB and whose studies are on-going, the projects for which the Task Force is committed to provide support in terms of studies and monitoring (PFS, DPS, Bidding Documents (BD)) and the future projects whose studies have not started and funding are not secured.
51. After discussion, the Board of Directors adopted the Strategic Orientation Report of the Task Force. Also, the Board instructed the Task-force to accelerate the studies of the identified projects and monitor the implementation of the ongoing projects project in close collaboration with the member utilities.
52. The Board of Directors, after review, adopted the report of the Technical Committee and appointed Mr John Ashley (Board Director representing the shareholder LEC) as Chairman to the Technical Committee.



c) Finance and Administration Committee

53. The Chairman of the Finance and Administration Committee presented the report of the committee. The report covered three main points which are (i) the presentation and review of the annual report and audited Financial Statements for 2017, (ii) the presentation and review of the additional financings for the Capital contribution and the compensation of PAPs and (iii) the presentation and review of the first quarter interim financial reports for the first quarter 2018.
54. Concerning the Annual Report and the audited Financial Statement for 2017, the Board of Directors noted that the total assets increased by USD60.8 million from USD33.6 million at December 31, 2016 to USD94.4 million at December 31, 2017 and reflects the significant progress achieved during the year with the signing and implementation of EPC contracts
55. The Board also noted a financing gap of US\$ 104.6 million which result on the increased of project cost as at December 31, 2017 (from US\$ 445 million to US\$ 508.6 million) on account of higher bid prices, and additional operating costs for TRANSCO CLSG due to the extension of the duration for the implementation of the project by two years (2017 to 2019).
56. However, it was brought to the attention of the Board that this gap is financed by the World Bank through the government of Liberia for US\$ 45 million and the government of Sierra Leone for \$ 59.57 million. The financing to Liberia includes a grant of US \$ 22.5 million. In addition, the total funds disbursed to the project as at December 31, 2017 amounted to US \$ 116.7 million and represents a disbursement rate of 22.9%.
57. Regarding the presentation and review of the additional financing for capital contributions, the Board noted that the financing gap remains for the component financed by the shareholders and the Member States of the project in relation to the financing gap for the contribution to the share capital of TRANSCO CLSG
58. The issued share capital is US \$ 4 million and comprises 200,000 shares with a value of US \$ 20 each. The financing gap for the component to be financed by the capital contribution from 2018 to 2020 is US \$ 3.9 million to be divided between the four (4) Shareholders.
59. The Board of Directors adopted the recommendation of the Committee to raise the additional funds from existing Shareholders through the increase of the share capital of the company. This increase can be made either by increasing the number of shares or by increasing the nominal value of the shares.
60. The Board of Directors, after review, adopted the Report of the Finance and Administration Committee of the Board of TRANSCO CLSG

Item F: Review and adoption of the Resolutions.

61. After deliberation on the various topics of the agenda, the Board of Directors adopted the following resolutions attached as Annex B to this report.

- ⇒ **Resolution TRANSCO CLSG/BOARD/73/RES.25/06/18** adopting the report of the 16th meeting of the Board of Directors of TRANSCO CLSG
- ⇒ **Resolution TRANSCO CLSG/BOARD/74/RES.25/06/18** adopting the report of the External Auditor on the financial statements of TRANSCO CLSG for the year 2017
- ⇒ **Resolution TRANSCO CLSG/BOARD/75/RES.25/06/18** adopting the report of the external auditor on the financial statements of the CLSG PROJECT for the year 2017
- ⇒ **Resolution TRANSCO CLSG/BOARD/76/RES.25/06/18** relating to the appointment of the Chairman of the Technical Committee of the Board of Directors
- ⇒ **Resolution TRANSCO CLSG/BOARD/77/RES.25/06/18** authorizing the General Manager to sign the contract for the construction the CLSG SUBSATIONS PACKAGE SS AfDB & WB 002-BIS with KEC INTERNATIONAL LTD
- ⇒ **Resolution TRANSCO CLSG/BOARD/78/RES.25/06/18** relating to the adoption of the reports of the Technical, Finance and Administration as well as Audit and Good Governance Committees
- ⇒ **Resolution TRANSCO CLSG/BOARD/79/RES.25/06/18** relating to the adoption of the General Manager's Reports on the activities of TRANSCO CLSG for The Year 2017 and his Interim Report for 2018
- ⇒ **Resolution TRANSCO CLSG/BOARD/80/RES.25/06/18** authorizing the re-allocation of funds within the Environmental and Social Management Plan (ESMP) and Reinstallation Action Plan (RAP) activities budget to expedite the compensation of People Affected by the Project PAPs
- ⇒ **Resolution TRANSCO CLSG/BOARD/81/RES.25/06/18** adopting the Task-force strategy orientation note on the coordination of transmission and distribution projects of the member utilities of TRANSCO CLSG.

III. ACKNOWLEDGMENT

62. The Board members congratulated the General Manager of TRANSCO CLSG and his team for the perfect organization of the meetings and thanked him for the warm welcome they received.
63. The Chairman of the Board of Directors thanked the participants and encouraged them to maintain and strengthen their efforts aiming to expedite the implementation of the project.

64. The participants of the seventeenth Board of Directors of TRANSCO CLSG expressed their profound gratitude to the people and the Government of Côte d'Ivoire and in particular to His Excellency, Alassane OUATTARA, President of the Republic of the Côte d'Ivoire for the warm welcome and the hospitality they enjoyed during their stay in Abidjan.

Done in Abidjan this day of November 22, 2018



Amidou TRAORE
Chairperson

VOTE OF THANKS

THE SEVENTEENTH MEETING OF THE BOARD OF DIRECTORS OF THE CLSG REGIONAL ELECTRICITY TRANSMISSION COMPANY HELD IN ABIDJAN ON JUNE 25, 2018 EXPRESSES ITS SINCERE GRATITUDE TO HIS **EXCELLENCY**, **ALASSANE OUATTARA**, PRESIDENT OF THE REPUBLIC OF COTE D'IVOIRE, TO THE GOVERNMENT AND THE PEOPLE OF CÔTE D'IVOIRE FOR THE WARM HOSPITALITY EACH PARTICIPANT RECEIVED DURING THEIR STAY.



ANNEX A
LIST OF ATTENDANTS

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Cocody 2 Plateaux, 7^{ème} Tranche, 28 BP 633 Abidjan 28, Republic of Côte d'Ivoire

17^{ème} REUNION DU CONSEIL D'ADMINISTRATION DE TRANSCO CLSG / 17TH MEETING OF TRANSCO CLSG's BOARD OF DIRECTORS

Date: 25 juin 2018 / June 25, 2018

Liste de Présence / Attendance List

N°	NOM ET PRENOMS / NAME AND SURNAME	REPRESENTANT DE / REPRESENTATION FROM	CONTACTS	SIGNATURE
MEMBRES DU CONSEIL D'ADMINISTRATION / BOARD MEMBERS				
1.	M.TRAORE Amidou	Société des Energies de Côte d'Ivoire (Président / Chairman)	atraore@energies.ci +225 0599 72 90	
2.	Mr. Amarquaye ARMAR	Independant (Member / Membre)	amarquaye@msn.com +333241976695	
3.	Mr. John Ashley	Liberia Electricity Company (Managing Director / Directeur Général)	JASHLEY@LECLIBERIA.COM +231 65 778 498 495	

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Cocody 2 Plateaux, 7ième Tranche, 28 BP 633 Abidjan 28, Republic of Côte d'Ivoire

N°	NOM ET PRENOMS / NAME AND SURNAME	REPRÉSENTANT DE / REPRESENTATION FROM	CONTACTS	SIGNATURE
MEMBRES DU CONSEIL D'ADMINISTRATION / BOARD MEMBERS				
4.	Mr. Abdenbi ATTOU	Electricité De Guinée (Membre / Member)	atou. abdenbi@veolias.com +224 826 26 87 70	
5.	Mr Karamoko Alpha Barry proxy for Mr. Siengui Appolinaire Ki	West African Power Pool (Membre / Member)	karamoko.alpha@afppac hotmail.com +229 96 92 35 61	
6.	Mr Seydina Kane	Independant (Membre / Membre)	seydina.kane@yahoo.fr +221 77 740 42 98	
7.	Dr. Henry Saccoi proxy for Mr Alhaji Timbo	Electricity Distribution and Supply Authority (Membre/Member)	+232 79 187500 hsaccoi@yahoo.com	 22/6/18



Cocody 2 Plateaux, 7^{ème} Tranche, 28 BP 633 Abidjan 28, Republic of Côte d'Ivoire

N°	NOM ET PRENOMS / NAME AND SURNAME	REPRÉSENTANT DE / REPRESENTATION FROM	CONTACTS	SIGNATURE
PARTICIPANT A LA REUNION DU CONSEIL / IN ATTENDANCE TO THE BOARD MEETING				
8.	Mr. Mohammed Mulibah SHERIF	TRANSCO CLSG (Directeur Général / General Manager)		
9.	M. BAILLY Etienne	TRANSCO CLSG (Directeur de L'Unité de Mise en Oeuvre du Projet/ Director of the Project Implementation Unit)	+225 03 14 53 13 ebailly@transcoclsg.org	
10.	Mr. Jigba Josephus YILLA	TRANSCO CLSG Directeur Administratif et Financier / (Finance and Administration Manager)	+225 09 85 91 48 jyilla@transcoclsg.org	
11.	M. DIALLO Amadou	TRANSCO CLSG (Conseiller principal en Stratégie / Senior Strategy Adviser)	+224624 77 77 77 adiallo@transcoclsg.org	

ANNEX B
RESOLUTIONS

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