

**CLSG Interconnection Project (Côte d'Ivoire-Liberia-Sierra Leone-Guinea)
Donors Coordination Meeting
Conakry, October 15 and 16, 2018**

Aide Memoire

A. Introduction

1. A Donors Coordination Meeting was hosted by TRANSCO CLSG on October 15 and 16, 2018 at Sheraton Hotel in Conakry with the four Co-Financiers of the Côte d'Ivoire – Liberia - Sierra Leone - Guinea (CLSG) Interconnection Project, including the African Development Bank (AfDB), the European Investment Bank (EIB), KfW and the World Bank (WB).
2. The Minister of Energy and Hydraulic, the Minister of Family and Social Welfare of the Republic of Guinea, the West African Power Pool (WAPP) Secretary General were part of the opening ceremony. The Minister of Energy and Hydraulic of the Republic of Guinea, Dr Cheick Taliby SYLLA, thanked all the participants for their presence in this important meeting. He indicated that the CLSG project is among the priority projects of the Government of Guinea. He appreciated efforts of the CLSG Countries and Donors to successfully implement the CLSG interconnection line. He also reminded participants that no development is possible for our countries without reliable, clean and affordable energy in the region. He informed the meeting that the energy sector in Guinea is preparing the T&D (transmission and distribution) network that will be connected to CLSG Project. He also invited experts in the region, to consider new development in power transmission technology, using HVDC (High Voltage Direct Current), which allows transmission of power over long distance.
3. Mr Amidou Traoré, Chairman of the TRANSCO CLSG Board of Directors and the Director General of CI-ENERGIES chaired the meeting and expressed his appreciation to all donors for their commitment to the CLSG Project, which is vital for the CLSG countries. He underscored the main points of the agenda and the importance to debate these issues and address key project challenges such as the optimization of the commissioning dates, performance of the Owner's Engineer, availability of national T&D networks to be connected to the CLSG line, support of donors for change orders and additional scope and support from Countries to address financing gap in RAP budget.
4. The Task Team Leader, of the CLSG project from the African Development Bank, Bassirou Diallo speaking on behalf of the donors, appreciated the full commitment of all CLSG Project stakeholders, in particular the Government of Guinea and its President, his excellency Professor Alpha CONDE, for his support since the beginning of the project. He reminded participants that in the near future, Guinea will produce almost 1,000 MW of hydro power, which will enhance export of electricity through the regional interconnection projects, and affirmed that the CLSG project framework will therefore play a key role in this context. He congratulated TRANSCO CLSG management and staff for the excellent progress made in the implementation of the project, noting that eleven (11) out of thirteen (13) contracts have been signed and that the first tower has been erected recently in Sierra Leone. He indicated that challenges facing the project are numerous, but expressed confidence that with the commitment and the combined efforts of all stakeholders, the project will achieve its objectives.

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5. The meeting discussed the following main topics:

- Project implementation progress (engineering, ESMP and RAP);
- Update on the Procurement and Contract Management;
- Update on the Owner's Engineer assignments;
- Discussion on the Owner's Engineer performance;
- Project Additional Cost / Extra scope;
- Updated Network studies / Compensation Equipment Confirmation + Coordination with OMVG/AECOM;
- Progress status on the O&M documents and recruitment;
- Studies on the 2nd circuit;
- Elaboration of the Code on CLSG Connection Requirements;
- Botota Substation;
- Frequency Regulation Lot;
- Status of the Coordination of the CLSG Project with the National Network Projects (Task Force activities);
- Status of the disbursement (Disbursement Plan);
- Status of the effectiveness of the additional financing;
- Status extension of project closure date for each financing;

6. The following institutions participated in the meeting:

- African Development Bank (AfDB)
- World Bank (WB)
- European Investment Bank (EIB)
- KfW
- TRANSCO CLSG
- OMVG
- OMVS
- Guinea – Mali Project
- West Africa Power Pool
- TRACTEBEL Engineering

The signed list of participants is attached as Annex 1.

7. The agenda of the meeting is attached as Annex 2.

B. Outcomes of the meeting

Project implementation progress (engineering, ESMP and RAP)

8. TRANSCO CLSG and TRACTEBEL made presentations on the status of the project covering construction activities, implementation of ESMP and RAP. Those presentations are attached as Annex 3.
9. **Construction activities:** the meeting was informed that since the last donors conference in January 2018, significant progress has been achieved with, the first tower of the CLSG project erected in Sierra Leone on the Bikongor – Bumbuna - Yiben transmission line contract implemented by KALPATARU. However, the project is still facing delays due to some reasons, including delays in mobilization of experts from the owner's engineer, delays in submission of studies by contractors, contractors performance, delays in approval of designs and studies by the owner's engineer, delays in site turn over to contractors by TRANSCO CLSG and in some cases long donors 'approval process of RAP reports, the payments of compensations to people affected by the project (PAPs), and subsequent delays in site turn over to contractors by TRANSCO CLSG.

10. While commissioning dates for the project had been set for last quarter of 2019, TRANSCO CLSG informed that discussions with the different contractors revealed risks of extension of this deadline. Given the delays that have occurred as explained in the previous paragraph, and based on the current project performance, TRANSCO CLSG informed the meeting that unless specific actions were taken to accelerate the turnover of the land to the contractors, and speed up the actual work on the grounds, the commissioning projection dates will need to be shifted to first quarter of 2020. The Meeting agreed that all necessary actions should be taken by TRANSCO CLSG to maintain the contractual commissioning dates (i.e. last quarter of 2019). TRANSCO CLSG was also urged to meet individual contractors, with support from TRACTEBEL to address all pending issues and have firm commitment from each of them to respect the works completion dates. The Meeting also asked TRANSCO CLSG what would need to happen for the contractors to be able to make full use of this coming dry season to accelerate the works on the ground. TRANSCO CLSG was asked to revert by **1st week of November 2018** to confirm schedule of dates for commissioning, and provide detailed actions needed to be taken by the different stakeholders (TRANSCO, contractors, Owner Engineer, and Donors), for these dates to be met.
11. Donors reminded the meeting about the high expectation of countries, mainly Liberia and Sierra Leone for the commissioning of the line in December 2019. These countries have included the availability of power from the CLSG line in their national strategic plans for energy demand during the dry season, and will face serious difficulties if the project were to slip. At the same time, the meeting recommended that if TRANSCO CLSG final assessment in early November, would be that commissioning could not happen before 2020, it will have to inform the countries accordingly as soon as possible to allow them adapt their strategy accordingly.
12. Given that CLSG SCADA may not be ready in time for the operation of the transmission lines and substations, TRANSCO CLSG confirmed that as each substation is equipped with a local SCADA, it will be possible to operate the CLSG network efficiently.
13. **Implementation of the ESMP:**

The meeting was informed that TRANSCO CLSG is fully compliant with national and donor guidelines in the four CLSG Countries with respect to Environmental License. It was noted that all environmental licenses were issued by national agencies in charge of environment, and that has allowed the project to proceed with construction activities in the four countries.

The meeting was also informed that the Environmental Baseline Database for the assessment of the performance of EPC contractors on health, safety, and environmental aspects have been prepared by consultants hired by TRANSCO CLSG. The final reports for the four countries were approved and shared with the national environmental protection agencies, the owner's engineer, and contractors for the monitoring of environmental parameters during construction activities.

The environmental monitoring and the reforestation programs were launched in the four countries and MoUs were signed with the relevant agencies. The first disbursements were made to start the monitoring of environmental parameters and compensatory reforestation (31 ha in Cote d'Ivoire, 196 ha in Liberia, 194 ha in Sierra Leone and 86 ha in Guinea).

Ten (10) contractors have prepared ESMP construction documents, of which five (5) have been approved by TRANSCO CLSG and donors. The eleventh contractor is yet to prepare the ESMP construction document, as the contract only became effective on September 15, 2018.

14. Donors requested that TRANSCO CLSG provide confirmation that the location of the Yiben Substation in Fadugu is not within the reservoir area of Bumbuna II hydro plant. TRANSCO CLSG promised to provide this confirmation by the end of October 2018.

15. Implementation of RAP:

The table below summarizes the progress made so far in the transfer of sites to EPC contractors:

	Côte d'Ivoire	Liberia	Sierra Leone	Guinea
TRANSMISSION LINES	117/117 (100%) 928 PAPs (692 in 2011)	117,4/530 (33%) 426 PAPs (112 PAPs in 2011)	221/537 (41%) 505 PAPs (414 PAPs in 2011)	0/119 (0%) 0 PAP (112 in 2011)
SUBSTATIONS	1/1 (100%)	4/4 (100%)	3/5 (60%)	1/2 (50%)

Site turnover has been completed in Cote d'Ivoire; and significant progress made in in Sierra Leone and Liberia. Transfer of line corridor to the contractor has not yet started in Guinea and the contractor ANGELIQUE TATA-JV is awaiting transfer of site.

TRANSCO CLSG informed the meeting, that compensation will be paid in Liberia next week and in Sierra Leone, the following week. As a result we expect increase in payment of PAPs in Liberia and in Sierra Leone in the next 14 days. Transfers of all the sites in Sierra Leone and Liberia, to be completed by November 2018 with the exemption of the lot allocated to Bouygues from the border of Cdl to Yekepa, and from Yekepa to Nzerekore in Guinea, since this contractor was only mobilized last week in that section of the line. For this last part, TRANSCO CLSG explained that it expects to complete payments to PAPs and turnover of the land to contractors by the first quarter of Year 2019, assuming that there are no delays due to the non objections from the donors that need to be provided at x and z moment of the process. TRANSCO CLSG and AfDB agreed that they would meet to clearly define the various steps that each actor needs to take within a given time framework, so that these payments can be completed within the agreed schedule.

With respect to the situation in Guinea, TRANSCO CLSG highlighted to the meeting the following challenges explaining the delays: (i) poor quality of reports submitted by consultants in charge of RAP data consolidation, and need for TRANSCO CLSG to redo/revise/ reject earlier drafts after receiving comment from Donor, (ii) long process for the Donor to validate and approve RAP reports, (iii) financial gap in the RAP budget due to new compensation rates and increase in the number of PAPs as detailed in the above table.

In addition to the agreements with AfDB to seek ways to expedite the processes from TRANSCO and from the Donor's side, TRANSCO CLSG assured the meeting that notwithstanding the gap in the ESMP and RAP budget, compensation of PAPs would proceed, using available funds from other line items in the ESMP RAP budget. The meeting was also informed that TRANSCO CLSG has already taken necessary action to engage countries to fill the gap. In this regard, a request of Le18,913,013,516 was submitted to the Government of Sierra Leone, which has been included in its national budget for 2019.

Special attention from TRANSCO is required to speed up the process of compensation of project affected persons in order to achieve 100% site turnover as quickly as possible.

The World Bank reminded TRANSCO to submit an update of RAP data to donors as a result of the significant increase in the number of PAPs. TRANSCO CLSG must also list all complaints in the claims register as required by donor guidelines.

16. Donors thanked TRANSCO CLSG for this candid assessment of the situation, and requested to share a table of progress of payments to PAPs and transfer of terrain to contractors by Lots, rather than only by countries. They also requested to include in that table all actions needed from all stakeholders to reach the final point of turnover of land to the contractors, in each lot. Such detailed time line will be one of the tools that will permit to update and adopt a realistic, even if ambitious time line for dates of commissioning. (see Annex 4).
17. Donors also recommended that TRANSCO CLSG update the schedule of handover per lots, and shares all documentation related to the monitoring of grievance management in each country.
18. **Update on the Procurement and Contract Management:** TRANSCO CLSG made a presentation on the status of procurement and contract management of the eleven (11) signed contracts, all of which are effective. The meeting was informed that two (2) contracts are yet to be concluded and signed including The Frequency Regulation and the Direct contracting relating to Update in Abidjan SCADA. The Meeting was further informed that there are serious challenges with the contracts being implemented regarding equitable price adjustments due to late effectiveness of some contracts and change orders. (see Annex 4).
19. **The Owner's Engineer performance:** The meeting was informed that within the implementation of the project, TRANSCO CLSG has faced some challenges due to the Owner's Engineer (OE) performance: (i) delay in design and documents approval, (ii) mobilization of experts not in line with contract provision, (iii) need for effective supervision of EPC contractors site activities with required quality forms, (iv) approval of soil analysis result for the commencement of foundations work. TRANSCO CLSG management has therefore instructed an Audit mission on the OE assignment. The Audit report was shared with TRACTEBEL management and donors. Since the publication of the Audit report, TRACTEBEL took corrective actions to address recommendations made in the said report. TRANSCO CLSG informed the Meeting that improvement was noticed in the assignment implementation, however additional efforts remain to be done.
20. The meeting recommended that TE improve its mobilization for design review team and site supervision team, addressing the problem of long leave of some experts, and the need for TE to adopt a leave schedule so that back up experts, with sound knowledge of the project were deployed when team members went on leave, so that TE's services were always provided according to the needs of the project. All logistic aspects for the mobility of experts on site shall be solved. The review of soil classification shall be done diligently to avoid delays in construction activities.
21. TE reiterated its commitment to comply with the recommendations of the audit report and address all related issues in order to achieve satisfactory performance. TE confirmed that they have already action, including mobilization of additional experts, and improved monitoring and supervision of contractors' activities on site.
22. KfW reaffirmed the availability of donors to support TRANSCO CLSG in addressing matters relating to the performance of the OE.

23. The EIB thanked TRANSCO CLSG for the work done in conducting the audit and reiterates the offer of the Donors for any support that TRANSCO CLSG deems necessary in the discussions concerning the performance of the Owner's Engineer.

24. Project Additional Cost / Extra scope:

The meeting noted the following additional cost presented by TRANSCO CLSG:

- Claims for equitable price adjustment received from contractors:
 - o ELEC NOR & EIFFAGE JV – TL WB 04 / Lot1: due to delays in the effectiveness of their contract, a claim of about 10 million USD has been submitted by the contractor and has been negotiated up to 3.2 million USD. The outcomes of the negotiation will be submitted to the WB by October 23, 2018;
 - o BOUYGUES ENERGIES ET SERVICES – TL AfDB 01 / Lot1: due to late effectiveness of their contract, the claim submitted by the contractor has been negotiated up to 1.8 million USD, and submitted to the no objection of the AfDB on August 2, 2018.
- Requests for change proposal from contractors (Variation Order):
 - o KALPATARU POWER TRANSMISSION Ltd / TL WB-EIB 04 / Lot4, for a change of tower types and quantities (about 5.8 M\$) due to the line profile.
- Scope changes:
 - o In the contract for SS-KfW-Lot2 (SIEYUAN & NEIE JV), One additional 225kV Transformer bay, and One additional 40 MVA Power Transformer in YEKEPA Substation to satisfy the power demand of ARCELOR MITTAL in Liberia (about 2 M\$);
 - o Incorporation of One building in the scope of the contract for the SCADA of LINSAN (NR ELECTRIC Co): such building is missing in the actual scope of the NCC contract (in OMVG Project) in charge of the construction of LINSAN Substation (about 0.6 M\$);
 - o Incorporation of SCADA operators' residences in the contract of SS-AfDB&WB (KEC), which have not been taken into consideration in the current signed contract (About 0.8 M\$).

25. The additional costs should be presented for each contract and for each source of financing, and it was suggested that the additional costs could be classified according to the following (i) variation order (ii) adaptation of contracts (iii) additional work.

26. TRANSCO CLSG noted that the unallocated funds and contingencies for all donors stands at US\$85.8 million and this amount will sufficiently cover additional costs for equitable price adjustments, change order, additional scope for SCADA building and residences at Linsan, additional transformer at Yekepa, and connection between mount coffee sub station and TRANSCO CLSG sub station, extension of OE contract, costs for the functioning of TRANSCO CLSG beyond 2019 and up to the period when revenues will begin to flow into the Company in 2020. Donors requested a further disaggregation of these unallocated funds and contingencies. The meeting also clarified that any item not yet included in the approved procurement plan of the respective donors, would need to be reviewed and approved before the line can be added to the budget. TRANSCO agreed to share with all donors a final analysis of resources availability and possible additional costs.

27. EIB requested TRANSCO CLSG to follow the appropriate guidelines in meeting the additional costs for each donor.
28. **Updated Network studies/Compensation Equipment Confirmation + Coordination with AECOM:** TE reviewed the study carried out by Lahmeyer JV in the first phase of the project and confirmed that all characteristics of the compensation equipment (type, number, location and size) that were planned on the CLSG network should remain the same. The Meeting was further informed that AECOM (Owners Engineer for OMVG Project) also performed a similar study for the OMVG Project, but the conclusion of this study was different from the study performed by TE in terms of the characteristics of the compensation equipment. AECOM study concluded that the SVC +/-15 MVar in LINSAN SS is not needed.
29. The World Bank wants the update of the network study to confirm the relevance of compensation equipment and also assess the impact of the Botota substation in Liberia. In addition, the network study should consider the impact of the second circuit on voltage stability. The conclusions of this study and the coordination with OMVG must be formalized in a technical report to stakeholders.
30. The meeting noted that AECOM and TRACTEBEL are collaborating to identify gaps in the two studies to resolve them accordingly, and requested TE to conclude the process and submit the final report on the compensation equipment, especially the SVC at LINSAN.
31. The meeting recommended that another coordination meeting be organized involving all stakeholders including EDG, Ministry of Energy and Hydraulic and WAPP.
32. **Progress status on the O&M documents and recruitment:**

The meeting was briefed on the status of the recruitment of the operation and maintenance (O&M) operator, explaining that the Owner's Engineer TRACTEBEL has been instructed to conduct a study on the implementation of the strategic option of 3-4 years management contract, in order to determine the type of contract to sign with the O&M Operator, the procurement strategy for the recruitment of the Operator, and the cost of the O&M. To that end, the development of the TOR has been almost completed and the first draft of procurement documents will be submitted by the OE to TRANSCO CLSG in November 2018 for review.

The recruitment process for the O&M Operator will be launched in November 2018. The estimated duration of this process is nine (9) months with the expectation that the O&M contract be signed by July 2019.

TRANSCO CLSG explained that the timing of contract signature was due to the need to have the O&M operator various months ahead of starting operating lines, and that based on TRANSCO CLSG business plan projections, it is expected that sufficient revenues will not be generated in the first twelve months of operating the lines to cover the cost of the services of the O&M Operator during this initial phase of their contract. For that reason, TRANSCO CLSG requested the support of the donors to finance the first year of services of the O&M operator.

The donors responded that in a first stage, TRANSCO CLSG should submit the TORs for their review. They also said that if a given donor would think about financing it, it would be best for TRANSCO CLSG that the procurement documents be in an acceptable format (in compliance with their Guidelines).

The AfDB maintained that even if the procurement process of another donor was followed, it is important to follow competitive and transparent process, as the Bank could do a post

review of the process to ensure compliance with their own guidelines, if the Bank also decides to finance this activity.

The World Bank expressed readiness to assess TRANSCO CLSG request for initial support with the financing of the O & M contract, but asked for more information on the exact length of time and cost associated with this requested support. The WB noted the procurement process for this contract would need to comply with the Bank's Guidelines for the Bank to be able to finance it. TRANSCO CLSG and its Owner's Engineer will work together to determine the estimated cost of these services.

EIB stated that it cannot comment at this stage on the possibility of participating in additional financing with regard to the financing of the operating and maintenance contract.

33. **Studies on the second circuit:** TRANSCO CLSG informed the Meeting that the initial study carried out in April 2018 by TRACTEBEL on the early implementation of the second circuit recommended that the updated WAPP Master Plan be considered before taking a final decision. In particular, consideration should be given to conclude to the necessity to take into account the interest for the link at a regional level, the need of a dynamic stability analysis and the importance of having accurate forecast of local demand.
34. Based on the said updated WAPP Master Plan in September 2018, and the revised forecast demand in the intermediate countries (Liberia and Sierra Leone), it was agreed by WAPP and experts from national utilities, that earlier implementation of the second circuit is now required to keep the stability of the regional network of Western, Central and Eastern countries in West Africa, and also to avoid inter-area oscillations and voltage instabilities.
35. WAPP has therefore included the implementation of the 2nd circuit of the CLSG project in the list of priority projects captured in the WAPP master plan 2019 – 2033.
36. EIB indicated that it is necessary to quantify in detail, the risks and consequences associated with each section of the line, in order to evaluate the priority for implementing the need for the second circuit. The EIB underscored the importance of carrying out dynamic stability studies of the network during the planning and operational stages on a continuous basis to ensure that the line is properly equipped with necessary protection capacity.
37. The presentation on the second circuit requires additional technical information to justify stability of the CLSG line. In addition, TRANSCO CLSG must confirm the investment budget required for the second circuit in respect of transmission lines, substations and compensation equipment, as well as analyze the impact on the different EPC contracts being implemented.
38. AfDB requested TRANSCO CLSG to consider the latest date that would be more appropriate to request for additional financing for the second circuit in order to optimize costs and operational efficiency.
39. **Preparation of the Grid Code for CLSG:**
The Meeting was informed that TRANSCO CLSG intends to develop a Grid Code that will clearly and transparently describe the roles and responsibilities of each actor who will be connected to the CLSG interconnection line. TRANSCO CLSG is currently reviewing the technical and financial proposal of this study that was prepared by TRACTEBEL. On the other hand, TRANSCO CLSG recognizes the availability of basic documents and practices related to this issue that includes, WAPP Operation and Maintenance Manual, Grid Code of Côte d'Ivoire and Sierra Leone, as well as the valuable experience of Côte d'Ivoire in operating interconnection lines. In this vein, TRANSCO CLSG is strongly considering the possibility to engage local consultants in the sub region to conduct the preparation of the Grid Code that will be launched by January 2019 and completed within six months.

40. WB informed the meeting that it is financing the preparation of a regional grid code by WAPP, and invited TRANSCO CLSG to have close coordination with WAPP team in charge of the development of the regional grid code.
41. The meeting recommended that TRANSCO CLSG should share the ToR for the preparation of the Grid code with donors.
42. **Botota Substation:** KfW prepared and issued the Supplemental Agreement for the additional financing of Euro 18 million in September 2018, that covers the fifth Substation at Botota in Liberia. The meeting further noted that the Government of Liberia and TRANSCO CLSG have reviewed and cleared the draft agreement for signature. The meeting was informed that TRANSCO CLSG will sign the agreement and submit same to the signature of the Minister of Finance next week and upon the return of the Country Manager to Liberia on Friday October 19, 2018.
43. **Frequency Regulation Analysis/Studies** The meeting considered the relevance of frequency regulation in the CLSG project, (study that is listed under WB funding and the FR equipment to be financed under AfDB financing) in terms of synchronization and dynamic stability, responsibility for tuning frequency, as well as the developing defense plans to avoid widespread incidents across WAPP network. The meeting recommended that the planned study for frequency regulation be undertaken with the objective to clarify and prioritize these issues.
44. **Status of the Coordination of the CLSG Project with the National Network Projects (Task Force activities):** TRANSCO CLSG informed donors about the need for countries to implement their national network to be connected to the CLSG line in synergy with the planned commissioning schedule of CLSG line. To this end a Task Force set up by the Board of TRANSCO CLSG has prepared a list of priority projects that has been agreed with all the stakeholders, and for which the Task Force will provide technical support to countries to prepare preliminary studies. Of 22 identified projects, TRANSCO explained that 9 had been selected for this Task Force to support. This Task Force is composed of experts from CI- Energies and of TRANSCO CLSG experts, and its work has been funded by TRANSCO CLSG's own capital.
45. Donors congratulated TRANSCO CLSG for this initiative that clearly aims to maximize the impact of the CLSG line on the welfare of the people in the participating countries and to expand the business base for TRANSCO CLSG itself. However, given the importance of this work at the national level for the expansion of the energy sector in each country, they asked TRANSCO CLSG to urgently share the report with them, so that they could inform their energy colleagues working in the different countries.
46. TRANSCO CLG recommended that donors consider financing the identified projects including related studies.
47. **Status of the disbursement:** The meeting was informed that as at September 30, 2018 the total available funds for the project is US\$530.47 million, of which US\$171.39 million has been disbursed, which is an overall disbursement rate 32.31%.
The meeting was further informed that for Q4, 2018, planned disbursement is US\$42.69 million. This will increase overall disbursement rate to 39.90% at the end of December 2018.
48. The meeting noted that the overall disbursement rate for the project at September 30, 2018 is low compared to expectation of donors, and agreed that much effort is required by all stakeholders to significantly accelerate disbursements.
The meeting was informed that TRANSCO CLSG is currently working with all stakeholders, particularly donors, TRACTEBEL, EPC Contractors and RAP Data



Consolidation consultants to address delays in the implementation of EPC contracts and handing over of line corridor to EPC contractors.

49. TRANSCO CLSG assured donors that significant improvements have been observed in the performance of the owner's engineer since the audit was conducted in August 2018. This has led to improvements in approving design review, soil tests and foundation drawings, increased mobilization of TRACTEBEL experts on the field, and validation and approval of contractors' invoices.
50. The meeting noted that these actions would improve manufacturing and delivery of materials and equipment on site, as well as accelerate foundation works and installation activities. On this basis, the overall disbursement rate is expected to increase to 65.31% at the end of June 2018.
51. The World Bank reiterated the need to improve the level of disbursement on different contracts. In addition, compliance with the contractual schedule for the execution of contracts and commissioning of the transmission line requires increased coordination with EPC contractors to accelerate the progress of studies and works on site. It was recalled that the primary objective of the project is to export energy to Liberia as quickly as possible, and stressed the need to analyze all possible means to achieve this objective.
52. **Status of the effectiveness of the additional financing:** The Meeting noted that all the conditions precedents to the effectiveness have been fulfilled on October 9, 2018 and October 3, 2018 for Liberia and Sierra Leone respectively. The World Bank confirmed that the official letters to declare effectiveness would be issued in the coming days.
53. The meeting also noted that with the additional financing provided by World Bank and KfW, the total available funds at September 30, 2018 now stands at US\$530.47 million of which US\$423.69 million (about 79.87%) have been committed through signed contracts.
54. The Meeting also noted that the unallocated funds and contingencies for all donors stands at US\$85.8 million and this amount is expected to cover addition costs for equitable price adjustments, change order, additional scope for SCADA building and residences at Linsan, additional transformer at Yekepa, connection between mount coffee sub station and TRANSCO CLSG sub station, extension of OE contract, and costs for the functioning of TRANSCO CLSG beyond 2019 and up to the period when revenues will begin to flow into the Company in 2020.
55. **Status extension of project closure date for each financing:** The meeting was informed that disbursement deadline date has been extended for each donor as presented below:
 - AfDB - 31/10/2019
 - World Bank - 15/12/2020
 - EIB - 10/12/2019
 - KfW - 31/12/2022

C. Donors closing remarks

56. **AfDB:** The AfDB noted with satisfaction the progress achieved so far in the project implementation, particularly in the construction, manufacturing and delivery of materials and equipment in some countries, and the start of civil engineering work in others.

AfDB affirmed that it is the common responsibility of all stakeholders to review in detail, and in an uncompromising manner, all the institutional, environmental, social safeguard,

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technical and financial aspects, which are necessary for full compliance with donor guidelines and ensure that the updated implementation timelines, are achieved.

There is also a need to make significant progress in the appropriate arrangements that would be made for operation and maintenance of the infrastructure under construction. While many challenges remain, the engagement of all stakeholders to enhance coordination and joint oversight will ensure that these challenges are addressed in time.

The ADB joins other donors in congratulating TRANSCO CLSG for the important work is being done, particularly given the very difficult context of the project, which has led to the actual commencement of construction works.

57. **EIB:** The EIB supported the concerns raised by the WB regarding the commissioning dates, and connections with national grid of the different countries. In particular, the strategy developed to meet the energy deficits in Liberia for the next dry seasons is based on the assumption that the CLSG line will be ready by December 2019. EIB encouraged TRANSCO CLSG to be realistic with target dates for commissioning, given the expectations of the countries and make every effort to identify critical paths that would avoid delays, and ensure any risk of that deviation are addressed appropriately.

58. **KfW:** KfW congratulated TRANSCO CLSG for the tremendous job done so far. Implementing a project as complex and challenging as the CLSG transmission line not only requires experience, knowledge and structure, but also commitment, endurance and a good portion of humor every once in a while. Every single interaction with the TRANSCO CLSG team has shown us that all of these requirements are met and that we have the pleasure of working together with a very competent and capable partner.

This gives us the confidence that the project will be delivered successfully and on time, even though there are challenges that need to be overcome in order to achieve this common goal.

These challenges concern different aspects, including technical issues, coordination between the different parties involved (i.e. TRANSCO CLSG, Owner's Engineer, Contractors and Donors) and financial needs (i.e. additional poles, financing of the O&M contractor, etc.). The overarching challenge is the delay in the implementation of the project. This in turn has various causes that need to be identified, assessed and addressed. KfW wants to take this opportunity to reiterate the importance of CLSG being on-line in Liberia during the next dry season. KfW urges TRANSCO CLSG to continue focusing on the different bottlenecks and engaging all stakeholders, so that together, these challenges can be met effectively and efficiently.

KfW is proud to form part of the CLSG project and is looking forward to delivering it successfully and on time together with all stakeholders.

D. Any other matters

59. Joint donors' supervision mission:

Donors proposed to hold, as much as possible, joint supervision missions on the CLSG Project in the future;

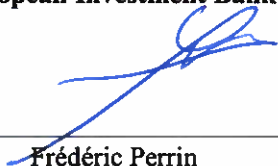
60. Next Donors' coordination meeting:

The WB proposed that the next coordination meeting be held in February 2019, but the meeting agreed that TRANSCO CLSG should revert to donors with a confirmation of a suitable date.

61. The Meeting also expressed their deep gratitude to the people and Government of Guinea, and particularly to His Excellency, Professor Alpha CONDE, President of the Republic of Guinea, for the warm hospitality they have enjoyed during their stay in Conakry.

Done in Conakry on this day of 15th October 2018

European Investment Bank



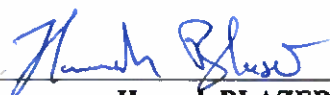
Frédéric Perrin
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Amadou Bassirou Diallo
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Hannah BLAZER
Project Manager

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Clemencia Torres de Mästle
Task Team Leader

TRANSCO CLSG



Mohammed M. Sherif
General Manager

Amidou Traoré
TRANSCO CLSG Board Chairman



ANNEXES

1. Attendance List
2. Approved Agenda
3. Status of ESMP & RAP
4. Time Schedule of sites turnover
5. Status of Procurement activities

x R 07/13