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# **7th Meeting of TRANSCO CLSG Board of Directors**

Report

Abidjan, 13<sup>th</sup> and 14<sup>th</sup> of August 2015

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**TRANSCO CLSG  
REPORT OF THE 7<sup>TH</sup> BOARD MEETING  
ABIDJAN, AUGUST 13- 14, 2015**

**I. INTRODUCTION**

1. The Regional Electricity Transmission Company, "TRANSCO CLSG" held its seventh Board of Directors meeting at CI-Energies Headquarters in Abidjan from the 13 -14 of August 2015.
2. All the Directors of the Board attended the meeting. The list of participants is attached as Annex A to this report.
3. After verification, the Board noted that the meeting had a valid quorum.
4. The Chairman of the Board of Directors, Mr. Amidou TRAORE, Director General of CI-ENERGIES chaired the meeting.
5. The Chairman welcomed all the directors to the meeting. He stated that there are two important events at this meeting.
6. The first is to welcome the new Secretary General of WAPP, Mr Siengui Apollinaire KI who is attending the meeting for the first time. The chairman stated that it is a great pleasure to work with Mr Ki as he is humble, effective and efficient and that he was not surprised that Mr Ki was selected by the WAPP Board to replace Mr Diallo.
7. He congratulated Mr Ki on behalf of the Board, and invited him to work diligently with the other Board members as they work hard to improve the energy situation in the region.
8. The second matter is to welcome Mr Amadu Diallo to the meeting as a Special Adviser to the Board and Management. The Chairman stated that upon his retirement from WAPP in July 2015, and based on the request from the General Manager, he agreed that Mr Diallo be hired to support the Board and Management giving his vast experience and knowledge about the CLSG project.
9. The Chairman applauded Mr Diallo for everything he achieved at WAPP - the integration projects across the region, all the projects in the ECOWAS member states, and particularly the CLSG project that is now being implemented.
10. He congratulated the General Manager for this great vision and hoped that Mr Diallo will support the Company with his energy, strength and wisdom so that the company will achieve its objectives.
11. Members of the Board congratulated Mr Ki and Mr Diallo in their new roles and welcomed them to the company.
12. The agenda below was unanimously adopted.

- a) Introduction of Board Committee Members
- b) Examination and adoption of the Report of the 6<sup>th</sup> Board Meeting
- c) Report of the General Manager
- d) Report of the Board Committees Meetings
- e) Any other Business (Discussion about the new role of Mr Amadou DIALLO)
- f) Proposed dates of the next Board Meeting
- g) Signature of Resolutions

## **II. OUTCOME OF THE MEETING**

### **Point A – Introduction of Board Committee Members**

13. The Board Finance and Administration Committee, Audit and Good Governance Committee and Technical Committee members who are designated from the member utilities were introduced to the Board. On behalf of the Board, the Chairman congratulated the Board committee members on their appointment and thanked them for their availability and diligence over the last days in attending to the business of TRANSCO CLSG.

### **Point B - Report of the 6<sup>th</sup> Board Meeting**

14. The report of the 6<sup>th</sup> Board Meeting was reviewed by the Board and after minor corrections and or amendments, was unanimously adopted.

### **Point C - The Report of the General Manager**

15. The General Manager presented his report for the period March 2015 to July 2015 in hard copies and power point presentation to the Board for their consideration and discussion. The presentation highlighted the following:

#### **Activities to meet disbursement conditions of the donors.**

16. The General Manager informed the Board that disbursement conditions for the World Bank has been met, and the first disbursement (advance payment) to the designated account made in May 2015.

17. For European Investment Bank, the final draft legal opinion has been prepared by the bank and submitted to the government of Sierra Leone for review. The legal opinion is expected to be signed in September 2015.

18. For African Development Bank, the special account will be opened in September 2015. The on-lending agreements for Liberia and Sierra Leone will also be signed in September 2015.



## Implementation of ESMP & RAP

19. The General Manager reported that the process of setting up the national committees in the four countries is on-going. For Sierra Leone and Liberia, the National Committees have been formed, while the process is well advanced in Cote d'Ivoire and Guinea. Also the General Manager informed the Board that the recruitment of the Assistant Environmental and Social Safeguard officers for the four countries is at the final stage.

## Owners Engineer Phase 1 – Lahmeyer JV

20. The General Manager provided an overview on the progress of the contract of Lahmeyer JV, the Owners Engineer phase 1, who was recruited to support TRANSCO CLSG with the procurement of the EPC Contractors and to undertake some technical studies.

21. The progress report is presented below.

No	Deliverables	Progress	Delivery Date	Comments on progress
1	<ul style="list-style-type: none"><li>• Procurement strategy</li><li>• Network study</li><li>• Cost estimate</li><li>• O &amp; M Strategy</li><li>• Review of line routing</li><li>• N-1 Security study on transformers</li></ul>	100%		Completed
2	Pre-qualification of Contractors	95%	Sept 2015	Applications submitted and opened on July 29, 2015. Evaluation process ongoing: Aug. 31
3	Bidding process	60%	August 2015	Under preparation: draft bidding documents to be submitted at the end of August, 2015.
4	Project Development Plan	50%	Sept. 30, 2015	Preparation ongoing: Final documents to be transmitted to donors at the end of September 2015.
5	Review of the project feasibility study	95%	Aug. 31, 2015	First round of comments from donors received and incorporated. Final draft document to be submitted to Donors at the end of August for clearance.

### Administrative activities

22. The General Manager informed the Board that the Communication Officer has been recruited and assumed duty on July 1, 2015, while the evaluation report on the shortlisted candidates for the recruitment of the Internal auditor has been sent to the World Bank for no objection. The draft contracts for the National Environmental and Social Safeguard Assistants has been prepared and is being negotiated.
23. The terms of reference for the recruitment of the Legal Adviser has also been sent to the World Bank for no objection. An office space for TRANSCO CLSG country office in Conakry Guinea has been identified and negotiations are on going with the landlord.
24. Also administrative documents such as the Professional Code of Conduct, the vision and mission statements, core values, company flag and seal have been developed.

### Next Steps

25. The action plan for the implementation of the CLSG project is presented below.

No.	Milestone	Status	Delivery Dates
1	Signature of contract with Owners Engineer Phase 1	Completed	08/08/2014
2	Launching of the recruitment of OE Phase 2	Completed	07/05/2015
3	Launching of Pre-qualification process	Completed	27/05/2015
4	Launching of bidding process	In progress	08/10/2015
5	Setting up of national and local Env. & Social Committees	In progress	01/11/2015
6	Signature of Contract with OE Phase 2	Not started	18/02/2016
7	Signature of contract with EPC Contractors	Not started	15/04/2016
8	Site turn over to TRANSCO CLSG	In progress	29/04/2016
9	Work Order	Not started	02/05/2016
10	Commissioning and final test / Operational acceptance	Not started	30/07/2018

### Major Issues / Challenges

26. The major issues or challenges facing the project are presented below.

- i. **Impact of Ebola** - The General Manager reported that the discovery of a vaccine recently gives hope that the ebola disease will be controlled soon. The terms of reference for the study on impact of ebola on the CLSG project has been prepared.
- ii. **Consolidation of the data on the RAP & ESMP after the review of the line routing.** – the outcome of the line routing study revealed that there is a need to

adjust the critical points of impact on the environmental and social component aspects of the project.

- iii. ***Setting up of the committees for the implementation of the RAP and the ESMP*** – the administrative arrangements in the CLSG countries is delaying the complete setting up of the national and local committees for the implementation of the ESMP and RAP.
- iv. ***Delivery of the right of way*** – the process has been launched in all the countries, but the delivery of the right of way for the transfer of land property rights to TRANSCO CLSG should be available before the start of the construction phase. The support of each state is required.

### **Financial report for the second quarter**

27. The General Manager presented the financial report for the second quarter which includes the Revised Budget, the Budget performance Report, and the Bank Balances as at June 30, 2015.
28. The revised budget revealed a financing gap of US\$6.02 million over the five - year project life span due to the extension of the project schedule from three to five years and delays in the implementation of the project due to the Ebola disease.
29. The General Manager also reported that the World Bank has made advance payment of US\$15 million to TRANSCO CLSG. Also the Government of Liberia has paid the sum of US\$1.875 million to TRANSCO CLSG for cost contingencies of the project, with a balance of US\$3.225 million remaining.
30. The board thanked the General Manager for his presentation.
31. The Board observed that the deadline for the submission of bidding documents and the Project Development were too tight. The General Manager assured the Board that the deadlines will be met as the draft bidding documents are being finalised, and two additional experts have been assigned the tasks to complete the Project Development Plan.
32. The Board observed also that a detailed progress report on the pre-qualification and tender processes was not presented and requested that this be included in the next report to the Board.
33. The Board wanted clarification that according to the project documents, only African Development Bank required a pre-qualification of bids. The General Manager informed the Board that all the other Donors agreed to proceed with pre-qualification as part of the procurement strategy that was agreed at the Donors Coordination meeting in April 2015 held in Abidjan.

34. The Board observed again that the project timeline has changed due to the Ebola outbreak in the three countries and this has impacted on the budget as well. The Board noted the financing gap of US\$6.024 million and the alternative actions that the management have identified to fill the gap.
35. The Board noted that the management had proposed to carry out a study to identify the impact of Ebola on the project with the draft terms of reference prepared. The Board urged management to expedite the process to undertake the study so that a clear assessment of the situation can be made. The Board advised that the impact of Ebola on the on-going procurement process should be considered and captured in the bidding documents accordingly so that contractors do not use Ebola as a force major to delay or increase the cost of the project. Also the Board advised that it may be good to include in the bidding documents that contractors should be willing to start work immediately upon the award of the contract.
36. The Board noted that TRANSCO CLSG Management should be clear about any specific requests for additional financial support (including office space) from the Member Utilities and the National Governments. The requests for office space should include what is required and what the member utilities can contribute.
37. Finally, the Board observed that the documents for the meeting were not submitted in good time for the board members to digest the contents and make meaningful contributions in the meeting. The Chairman apologised on behalf of management and urged management to take note of this matter for the next board meetings.

#### **Point D - Report of the Board Committee Meetings**

38. The three committees established by the Board held their first meetings and the Chairmen of the Committees presented their reports to the Board.
39. The reports of the Finance and Administration Committee, Audit and Good Governance Committee and Technical Committee were adopted by the Board.
40. The Vision, Mission, Core Values, Logo, TRANSCO CLSG Flag, Seal, Slogan, and Code of Conduct were also adopted.
41. The Board authorised the General Manager to mobilise additional resources (234 million FCFA) that were required to acquire the building that will serve as the Headquarters for TRANSCO CLSG in Abidjan.
42. The Board adopted the recommended option for the operation and maintenance of the CLSG interconnection transmission line. The option adopted was for the Company to outsource the operation and maintenance for a first 2 (two) or 3 (three) years. During this period, the TRANSCO CLSG personnel will be assigned to work with the Operation and Maintenance Operator who will train them in order to enable TRANSCO CLSG take over at the end of the contract.

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43. The Board adopted the recommendation of the Audit and Good Governance Committee to revise the membership of the Audit Committee so that the provisions of the Shareholders Agreement are met. Subsequently, the Board appointed Mr Alhaji Timbo and Mr KI Siengui Apollinaire as two additional members of the Audit Committee.
44. The Board amended the Terms of Reference of the Audit and Good Governance Committee and agreed that in the absence of the Committee Chair, the members in the committee shall appoint a replacement.
45. The Board noted the reasons for the extension of the project schedule and the impact on the budget, and requested that a phased implementation of the project be considered to show physical progress of the project within the first three years.
46. Mr KI Siengui Apollinaire thanked the Board for the warm welcome and assured the Board that he will do his best to move TRANSCO CLSG forward and solicited the support of the other directors in performing this great responsibility.
47. Mr Amadou Diallo expressed his thanks and appreciation to the Board and the General Manager for giving him the opportunity to serve in his new capacity, and promised that he will continue do his best for the Company.

#### **Point E – Any other Business**

48. Mr Alhaji Timbo observed that the appointment of Mr Amadu Diallo in his new role as is very significant and also beneficial for the Company to draw on his knowledge and experience about the CLSG project. The Chairman informed the meeting that Mr Diallo will provide advisory services to the Board and the General Manager to ensure that the CLSG project is implemented successfully.

#### **Point F – Proposed dates for the next Board Meeting**

49. The proposed dates for the next Board and Committee Meetings were agreed as follows:
  - Finance and Administration Committee Meeting: October 19 – 21, 2015
  - Technical Committee Meeting: November 4 – 6, 2015
  - Board Meeting: November 25 – 26, 2015

### **III. ACKNOWLEDGEMENT AND VOTE OF THANKS**

50. The Chairman expressed his sincere thanks and appreciation to the members of the board for their participation and contributions in this Board Meeting. He thanked management and staff for the good work they are doing and encouraged Management to do their best to ensure that the decisions of the Board are implemented so that the TRANSCO CLSG will be successful.
51. The Board thanked the General Manager and his team for the achievements recorded so far and encouraged him to do more notwithstanding the huge challenges ahead.

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52. The Board also thanked all the stakeholders particularly the donors for committing the financial resources to make the project and the Secretariat of WAPP for all the institutional support to ensure that TRANSCO CLSG is well established in the other three countries.
53. Finally the Board thanked the governments of Cote d'Ivoire, Liberia, Sierra Leone and Guinea for their financial contributions and political support to make this project successful.

Done in Abidjan, this 31<sup>st</sup> day of March 2016



Amidou TRAORE

**Chairman, Board of Directors**

