

**MINUTES OF THE TENTH MEETING OF MCA – T GOVERNING BOARD HELD ON
THE 3RD SEPTEMBER, 2009:**

VENUE: 2ND FLOOR MCA-T CONFERENCE ROOM AT 2.00 PM

ATTENDANCE:

1.1 Present

S/N	NAME	TITLE
1.	Mr. Laston T. Msongole	Deputy Permanent Secretary, Ministry of Finance and Economic Affairs – Designated Alternate for the Chairperson
2.	Mr. Khamis M. Omar	Principal Secretary, Ministry of Finance and Economic Affairs, Zanzibar-Member
3.	Mr. Kajiru Aggrey	Designated Alternate Member to the Permanent Secretary, Ministry of Infrastructure Development-Member
4.	Mr. Ayubu O. Kasuwi	Designated Alternate Member to Chief Executive Officer, PPRA- Member
5.	Ms. Salma Salim Abdalla	Designated Alternate Member to Executive Committee Member, Community Development and Environmental Conservation in Zanzibar (CODECOZ)-Member
6.	Mr. Marwa Petro	Designated Alternate to Permanent Secretary, Ministry of Energy and Minerals, -Member
7.	Mr. Karl Fickenscher	MCC Resident Country Director, Non-voting Member
8.	Mr. Bernard S. Mchomvu	MCA-T CEO – Non-voting Member and Secretary
9.	Dr. Medard M.C.Kalemani	Secretariat

1.2 Apology

S/N	NAME	TITLE
1.	Mr. Ramadhani M. Khijjah	Permanent Secretary, Ministry of Finance and Economic Affairs- Chairperson
2.	Mr. Wilson Mukama	Permanent Secretary, Ministry of Water and Irrigation- Member
3.	Mr.Mwalim Ali Mwalim	Principal Secretary, Ministry of Water, Construction, Energy and Lands , Zanzibar-Member
4.	Mr. Elvis Musiba	Tanzania Private Sector Foundation (TPSF) –Member
5.	Mr. Steven Mariki	Acting Country Representative, WWF-Member

1.3 In Attendance

S/N	NAME	TITLE
1.	Mr. Pascal B. Assey	MCA-T – Invited
2.	Mr. Ahmed Rashid	MCA-T -Invited
3.	Ms. Coakley Chelsea	Acting Deputy Resident Director-MCC - Invited

ITEM 1: OPENING AND ADOPTION OF THE AGENDA:

The Secretary confirmed that, based on the MCA-T Bylaws the needed members to form a quorum or their accepted designees were present. He then requested the MCA-T Chief Executive Officer to invite the Acting Chairperson to open the meeting. The Acting Chairperson called the meeting to order at 2.30:00 hours by welcoming all members to the Tenth Governing Board Meeting.

Thereafter, the Chairperson invited the MCA-T Chief Executive Officer to present the Agenda items.

The Chief Executive Officer presented the Agenda items as follows:-

1. Opening and adoption of the Agenda
2. Confirmation of Minutes of the 9th Governing Board Meeting held on 5th June , 2009;
3. Matters arising from the 9th Governing Board Meeting held on 5th June, 2009; **AGENDA ITEM 3 (MATRIX).**
4. Brief on Compact Implementation Progress as of end of August, 2009- **PAPER NO. MCA-T/GB-10/2009/1**
5. Discussion and approval of Third Disbursement Packages of the Compact for the Period covering **October-December 2009** Quarter -- **PAPER NO. MCA-T/GB-10/2009/2**
6. Discussion and Approval of Disbursement Requests for CIF and 609g for the period of **October-December** quarter - **PAPER NO. MCA-T/GB-10/200/3**
7. Discussion and Approval of Consultancy Services for Supervision of Works for Package-1 for Upgrading of the Tanga-Horohoro road(68km) to Bitumen Standard between **MCA-T** and **Intercontinental Consultants and Technocrats Pvt Ltd** -- **PAPER NO. MCA-T/GB-10/2009/4.**
8. Brief notification and Formal approval of Contract Extensions for downstream assignments between **MCA-T** and **UWP Consulting (Pty) Limited, Africon Limited** and **Egis BCEOM International-- PAPER NO. MCA-T/GB-10/2009/5**

9. Discussion of Implementing Entity Agreement (**IEA**) for provision and supervision of the in-kind compensation for the Tanzania Compact Resettlement Activity ("**Project Activity**") between MCA-T and Tanzania Building Agency (TBA) --- **PAPER NO. MCA-T/GB-10/2009/6**
10. Discussion and Approval of Contract for Programme Management Consultancy Services for Transport Projects--- **PAPER NO.MCA-T/GB-10/2009/7**
11. Brief of the Pre-Qualification Evaluation Report for the Mtwara Corridor---**PAPER NO. MCA-T/GB-10/2009/8**
12. Brief on the MCA-T Corporate Plan and Performance Management System ---**PAPER NO. MCA-T/GB-10/2009/9**
13. Brief and adoption of the Audit Report of Fund Accountability Statement of the Millennium Challenge Corporation (MCC) Resources Managed by MCA-Tanzania under the Compact Agreement dated February 17th, 2008 between MCC and the Government of the United Republic of Tanzania for the period from September 1, 2007 to December 31st, 2008--- **PAPER NO. MCA-T/GB-10/2009/10**
14. Discussion and approval of delegation of powers of the Governing Board--
- **PAPER NO MCA-T/GB-10/2009/11**
15. Discussion and Approval of amendment to the Fiscal Accountability Plan (**FAP**)--- **PAPER NO.MCA-T/GB-10/2009/12**
16. Discussion and Approval of the Operationalization of the Independent Appeal Panel of the Bid Challenge System Paper ---**NO.MCA-T/GB-10/2009/13**
17. Any Other Business; and
18. Closure

The Board adopted the agenda with a slight modification by a request of the MCA-T Chief Executive Officer to include a new item replacing the current **17--- PAPER NO. MCA-T/GB-10/2009/14**. The Paper was intended to request the Board to discuss and approve the procurement Consultancy Services for Supervision of Works for the Mtwara Corridor (139km). With this modification, items 17 became item 18 while 18 became item 19. He further asked the Board to agree to an item on Confirmation of some of the MCA-T Heads of Units as a separate agenda item under any other business. The requests were granted.

ITEM 2: CONFIRMATION OF MINUTES OF THE NINETH GOVERNING BOARD MEETING HELD ON 5 JUNE, 2009.

The minutes were confirmed by the Board with some slight modifications in the tenth line page 4 by deleting the words "also"; deleting the words "**COMPOENENT**" on page 7 and replacing it with "**COMPONENT**"; and further deleting the word "**RESUOLUTION**" and replacing it with '**RESOLUTION**. The minutes were then confirmed by the Board.

ITEM 3: MATTERS ARISING FROM THE NINTH BOARD MEETING:

1. *The CEO reported that as he did inform the Board during the Ninth Board meeting, the issuance of a single set of Government Notices (GN) for tax exemptions needed a **Policy Decision** of the Government through the Minister of Finance and Economic Affairs. He then reported that the Ministry of Finance and Economic Affairs, following its consultations with TRA has directed that similar existing procedures for granting of GNs, which are applicable to other donor funded projects will have to apply to MCC Compact. The CEO said that the Ministry's position is intended to enable TRA to effectively manage the process. On the other hand, the CEO said that MCC had reservations on the adequacy of the given solution. As such, to MCC, the feeling is that this issue required an immediate amicable resolve by the Government of Tanzania. The MCC representative reminded the Board that this issue was raised by the highest levels within MCC during President Kikwete's recent visit to the United States; hence, MCC hopes to see it resolved in the near future. A formal note was under preparation by the MCC.*
2. *The Board discussed the proposal to form a Technical Committee to work on the voluminous Finance and Procurement Papers for the Board's decisions and directed more consultation with MCC be continued with the view to streamline the tasks for one committee and to further explain in clear terms the powers of the Committee and reporting format. The CEO reported that Consultation with MCC has been done and that a separate Board Paper had been developed and will be discussed as **PAPER NO.MCA-T/GB-10/2009/11**.*
3. *The Board approved Second Quarterly Disbursement Request (QDR) packages of the Compact for the period covering July-September, 2009 quarter-- **PAPER NO. MCA-T/GB-09/2009/2** and directed that:--*
 - (i) *The same be forwarded to MCC for a formal no objection; and*
 - (ii) *Delegated to the CEO authority to make any technical adjustments and corrections to the various documents as may be necessary to obtain MCC's no objection.*

On the two items The CEO reported that;

- (i) *The QDR package was forwarded to MCC and got the needed no objection; and*
 - (ii) *The needed technical adjustments to the Work Plans and the Narrative Report obtained the MCC's needed no objection.*
4. *The Board approved the Quarterly Disbursement Request for July-September, 2009 quarter under the two separate funding windows namely 609g Agreement and the CIF Letter Agreement (See **PAPER NO.MCA-T/GB-9/2009/3**) and directed that;--*
 - (i) *the QDR packages for the 8th quarter of the 609g Agreement and the 5th quarter for the CIF Letter Agreement be forwarded to MCC for a formal no objection; and*
 - (ii) *delegated to the CEO the authority that he may make any technical adjustments and corrections to the aforementioned approvals as may be necessary to obtain the MCC's no objection; and*
 - (iii) *The Chairman of MCA-Tanzania Governing Board to sign the corresponding MCC's requests.*

The CEO reported that:--

- (i) The 8th quarter of the 609g and the 5th quarter of the CIF were forwarded to MCC and the needed no objections were obtained;
- (ii) The needed adjustments and corrections to both 609g and the CIF got the needed no objection from MCC.
- (iii) The Chairman signed the 609g and CIF Letter Agreements QDRs and the same were submitted to MCC.

5. *The Board reviewed and approved the draft Contract for Programme Coordination and Technical Assistance to DAWASA/DAWASCO and MORUWASA- (PAPER NO.MCA-T/GB-09/2009/5) with UWP Pty Ltd and directed:-*

- (i) *the same to be forwarded to MCC for a formal no objection*

The CEO reported that the Contract with UWP was forwarded to MCC and got the needed no objection and the same signed.

6. *The Board approved the upcoming contracts that appeared to be non controversial and directed the same to get approval through written consent on a case by case basis as per PAPER NO.MCA-T/GB-09/2009/5.*

The CEO reported on an Individual Consultant Contract for the provision of services by a Transport Project Consultant, Mr. Peter M. G. Cochrane which got Board's approval through a Written Consent on 15 June, 2009 and ultimately signed on 22 June, 2009. Also, he reported on other individual consultant contracts involving Environmental and Resettlement Specialists which were signed on 20 July, 2009, having got the approval of the Board through written consents in July 2009.

7. *The Board **TOOK NOTE** of the a Draft contract between MCA-Tanzania and **SMEC International** for updating of designs and Tender Documents for the Expansion of the Lower Ruvu Water Supply System Treatment Plant and the Rehabilitation of the Morogoro Water supply System and directed the same to be forwarded to the Board for approval through Written Consent*

The CEO reported that The SMEC Contract was also approved through Written Consent by the Board on 7th June and signed on 25th June, 2009.

8. *The Board **approved** the MCA-T Medical Policy and directed that having made more consultation with MCC, the same be forwarded to the Board Members for approval through a written consent.* The CEO reported that the Medical Policy got Board's approval by written consent and the Medical Insurance Contract between MCA-T and AAR Insurance was signed. He said the Policy is now operational.

ITEM 4: BRIEF ON COMPACT IMPLEMENTATION PROGRESS AS OF END OF AUGUST, 2009 AND REQUEST FOR APPROVAL--- PAPER NO. MCA-T/GB-10/2009/1

PART I. BRIEF ON COMPACT IMPLEMENTATION PROGRESS AS OF END OF AUGUST, 2009

DISCUSSION: The Board was requested to **TAKE NOTE** of the Compact Implementation Status as of the end of August 2009. The CEO presented a general implementation status of the Compact as of the end of August 2009. He said many preparatory activities as per respective work plans had been completed and others were actively being followed

up. He said the idea is to have all projects implemented within the five year timeframe. He further said that the preparatory activities included program support activities like procurement, consulting services, environmental studies, monitoring and evaluation, Fiscal Agent activities, auditing, tax exemption follow-up mechanisms and office improvements. He further told the Board that the detailed report on the implementation progress was subdivided into four parts as follows:-

- (a) Completed activities for each sector including the ongoing,
- (b) Completed and ongoing activities in the supportive services,
- (c) Completed activities but which need Board approval; and
- (d) Ongoing activities which need Board approval for finalization

Board members were reminded that the Compact program had projects covering three core sectors, namely Transport, Energy, and Water. He said as at the end of August 2009, the implementation status for each sector was as follows:

1. Transport Sector

(a) Tanga-Horohoro Road (68km).

He presented the completed preparatory tasks for the Tanga- Horohoro road. Apart from the design assignments, the identification of Project Affected Persons (PAPs) and the respective compensation costs to be paid to each had been completed. He said that current verified figures for compensation stood at **Tsh. 2,751,164,472.00**. Those getting more than Tsh 400.000/- and who did not already have bank accounts have been helped to open bank accounts to receive the compensation funds. Respective sums are expected to be deposited into the individual bank accounts before or just after the 10th of Sept 2009. For those getting less than Tsh 400,000/-, their compensation will be paid through the Accountant General's cheque systems through the Tanga Sub-Treasury office.

He further informed the Board that the recruitment of the works supervision consultancy firm **M/s Intercontinental Consultants and Technocrats Pvt. Ltd** from India in association with **Inter-consult Ltd**, a local firm was almost concluded. The respective contract is planned to be ready for signing by the 15th September 2009. This needed the approval of the current Board. At the same time given that the works contract is yet to be in place, the Supervising firm for works will not start work pending the selection of the Works Contractor. More details were provided under **PAPER NO.MCA-T/GB-10/2009/4**.

(b) Tunduma-Sumbawanga Road (224km).

The CEO said that Tunduma-Sumbawanga Road is divided into three components which were Tunduma-Ikana, Ikana- Laela and Laela-Sumbawanga. He told the Board that there have been delays in the completion of the signed downstream assignments due to the consultant's inability to mobilize and provide in a timely manner proper staffing for the assignment. The consulting firm (Africon) is now trying to catch up though not as per original expectations. He informed the Board that for the time being the works completed were as summarized in Part I of **PAPER NO. MCA-T/GB-10/2009/1**.

He further told the Board that the issuance of the bidding documents was planned for late September 2009 with a target of signing works contracts by January 2010. The

actual construction work is planned to start in February/March 2010 with the target to finish construction in January 2012 for Tunduma-Laela and September 2012 for Laela-Sumbawanga. Additional details on the ongoing activities for the Tunduma-Sumbawanga Road were summarized under page 3 of **PAPER NO.MCA-T/GB-10/2009/1**.

(c) Songea-Namtumbo (61km) and Peramiho-Mbinga (78km) Roads

The CEO informed the Board that this package was better termed as the Mtwara Corridor, and as is the case with the Tunduma-Sumbawanga Road, we had also experienced delays, but things were now moving. He asked the Board to refer to page 4 of **PAPER NO. MCA-T/GB-10/2009/1**. The paper dwells on completed works, as well as showing the pre-qualified firms for the construction assignment.

(d) Mafia Airport

The CEO told the Board that this was an area where more efforts were needed to get things moving fast in line with what had been projected. A World Bank funded Feasibility Study and design assignment had taken longer than what had been envisaged. Also, the budget from the outcome of the design has exceeded the available Compact budget and TAA has re-scoped the activities to cover only the runway, taxiway, fence, fire station and communication facilities resulting to an estimated budget of **USD 12.2 million**. MCC, MCA-T and TAA have jointly agreed to ask the GoT to budget for the shortfall of **USD 5.8million** starting from next financial year-2010/2011. In elaboration, he said that, with the assistance of a Consultant **M/s Frederic Snow**, TAA has finalized the scoping of the major works.

(e) Pemba Rural Roads

On the Pemba Rural Roads, it was explained that much time had been taken to reach a common understanding mainly due to the roads being mostly rural roads which needed more re-design given the MCC Guidelines. Several studies, including the detailed design for the roads had been completed by the Ministry of Communications and Transport in Zanzibar, but MCC felt that a more detailed analysis was needed. The final decision reached was to undergo a fresh study that built upon the work done to date, which would determine the appropriate designs for the planned rural roads. MCA-T has initiated a process to procure a Consulting firm that would undertake the re-design Study, Environmental and Social Impact Assessment and an Economic Analysis with an option of carrying out the Review and Update Detailed Engineering Design, Resettlement Action Plan and preparation of tender documents for the roads. Both the Technical evaluation and opening of financial proposals have been finalized and the combined evaluation of the proposal is ongoing.

Construction work for Pemba roads is now scheduled to start in the second half of 2010 and expected to be completed by December 2012 while the Mainland Trunk Roads are scheduled to commence between late this year and early 2010. The obvious delay factor is the need for a re-design of the roads to meet MCC requirements.

2. Energy Sector

The CEO told the Board Members that under the Energy Sector we have several projects to be implemented. He said that in terms of both completed tasks, the consulting/ engineering firm for the energy projects, M/S ESBI Engineering and Facility Management Ltd of Ireland engaged in November 2008 was already busy in the field with the Preparation and updating of work schedules for all energy projects. The CEO said the ongoing activities were the finalization of data collection, surveys,

mapping, preliminary designs, pegging and demarcation of transmission and distribution line route corridors for the preparation of Resettlement Action Plans (RAPs), including the badly needed bidding documents for the procurement of EPC contractors. The plan is to issue the bidding documents in Sept/Oct 2009 for the Hydro and Cable and for the T & D Oct/Nov 2009. It is projected that some of the site construction works may start by early February 2010.

3. Water Sector

The CEO told the Board that the Water package was progressing well with the technical inputs of the recently recruited Firms. Both SMEC and UWP have given their respective Inception Reports. Design works for both Lower Ruvu and Morogoro Water supply including bidding documents are going on with the view to start construction next year.

On the Non Revenue Water (NRW) the CEO said that the activity is intended to improve respective system efficiencies of DAWASA and DAWASCO through a reduction of non-revenue water. A comprehensive assessment of both the locations and volumes of physical leaks, billing and collection deficiencies and losses will be made with a view to devise and implement measures that will substantially reduce the leaks and commercial losses. Review of designs and tender documents for Part I is being carried out by **M/s Pöyry Environment** of Germany under the funding of the World Bank. The CEO asked the Board Members to refer to page No. 10 of Part I of PAPER NO.MCA-T/GB-10/2009/1 on the completed and ongoing activities.

With regard to the 48 months Technical Assistance Contract with UWP of South Africa (starting from June 2009) it was explained that the firm had already started work as per agreement.

1. Others

The CEO presented the status of other activities including the Conditions Precedent (CP) and the 2009/2010 Development Budget based on the Multi Year MCC Approved Budget.

Conditions Precedent (CPs): He reminded Board members that Conditions Precedent are made up of a set of negotiated implementation conditions that have to be met or observed as being central in the whole process of implementing the Compact. Failure to meet any given condition has adverse consequences either in funding continuity or in the form of a non continuation of some agreed program activities.

He said that since the signing of the Compact in February, 2008 and the Programme Implementation Agreement (The PIA), the Government has taken various steps to ensure that the conditions set forth in the Compact, including those in the PIA are fulfilled. He summarized specific conditions which were yet to be comprehensively met by the Government and which needed closer follow-ups as follows:

- i. Submission of feasibility and design study, EIA, environmental assessment, and RAP, for MCC satisfaction, and the implementation of any required RAP (including full payment of resettlement compensation in compliance with the World Bank Policy on Involuntary Resettlement (OP 4.12) for transport sector,

- ii. Execution of all necessary construction and construction supervision contracts for the applicable trunk road on or before the first anniversary of the entry into force of the compact in order to receive any Disbursement for construction of such trunk road under the Mainland Trunk Roads Activity,
- iii. TANROADS to develop an annual maintenance plan (beginning October 1 of each year), to the satisfaction of the Joint Technical Committee, and demonstrate that the annual budget include adequate funding for routine and periodic maintenance of the road network,
- iv. Beginning on October 1 of each year, TANROADS to implement its annual maintenance plan, to the satisfaction of the joint Technical Committee, and demonstrate that the annual budget includes adequate funding for routine and periodic maintenance of the road network.
- v. Prior to each Disbursement for the Zanzibar Rural Roads Activity covering the quarter beginning on October 1 of each year, the Government of Zanzibar's expenditures budgeted for road maintenance is required to show an increase from such expenditures from the prior fiscal year, taking into account inflation and maintenance needs of existing, improved and newly constructed roads,
- vi. Prior to initial Disbursement for the Zanzibar Rural Roads Activity, the Government of Zanzibar shall increase the fuel levy,
- vii. Prior to each Disbursement for the Zanzibar Rural Roads Activity covering the quarter beginning on January 1 of each year, the amount budgeted by the Ministry of Communication and Transport of the Government of Zanzibar for maintenance of its existing, improved and newly constructed roads for the previous fiscal year has been expended for the intended purpose,
- viii. Prior to initial Disbursement for construction for any Project Activity under the Energy Sector Project, any required feasibility and design study, EIA, environmental assessment, and RAP, shall be completed to MCC satisfaction, and the implementation of any required RAP (including full payment of resettlement compensation in compliance with the World Bank Policy on Involuntary Resettlement (OP 4.12) shall be completed; and
- ix. Prior to the Disbursement for the Energy Sector Project covering the quarter beginning July 1, 2009, TANESCO shall submit to EWURA a rate case that recovers full cost (i.e. at least the sum of cost of sales, operating expenses, debt service and capital expenditures (which shall at least equal asset depreciation expense).

The 2009/2010 Development Budget Based on the Multi Year MCC Approved Budget: With regards to **the 2009/2010 Development Budget Based on the Multi Year MCC Approved Budget**, the CEO said that based on the projected five years Compact budget and the ever changing work plans, we did estimate that we shall use some \$176m during the 2009/2010 year. As such during the 2009/2010 financial year, Parliament approved **176,572,732,000**. The breakdown is as follows:-

<u>S/N</u>	<u>Sector</u>	<u>Amount (T Shs)</u>
1	<u>Transport Projects</u>	-
-	Tanga Horohoro	18,065,950,000
-	Tunduma Sumbawanga	55,911,520,000
-	Namtumbo - Songea	13,349,350,000
-	Peramiho-Mbinga	3,147,914,000
-	Zanzibar Rural Roads (Pemba)	700,000,000
-	Mafia Island Airport	1,928,752,000
-	<u>Sub Total</u>	<u>93,103,486,000</u>
2	<u>Energy Projects</u>	-
-	Zanzibar Interconnector Power Line	21,454,400,800
-	Malagarasi Hydro-Power and Kigoma Distribution	15,169,971,600
-	Distribution System Rehabilitation and Extension	21,904,342,600
-	<u>Sub Total</u>	<u>58,528,715,000</u>
3	<u>Water Projects</u>	-
-	Lower Ruvu Water Expansion	2,086,000,000
-	Morogoro Water Expansion	1,624,000,000
-	Non-Revenue Water	12,045,208,000
-	<u>Sub Total</u>	<u>15,755,208,000</u>
4	<u>Programme Management</u>	-
-	Salary and Office Management	713,934,200
-	Technical Assistance to Fiscal Agent	114,800,000
-	Procurement Agent	4,111,800,000
-	Financial Auditor	50,000,000
-	Monitoring and Evaluation	2,838,500,000
-	Capacity Building	1,356,288,800
-	<u>Sub Total</u>	<u>9,185,323,000</u>
-	-	-
-	<u>Grand Total</u>	<u>176,572,732,000</u>

The CEO told the Board that in addition to this, the Government has also allocated some **Tsh 619 million** for office rent at the NDC, support to the Fiscal Agent and other costs like major vehicle repairs which the Board is requested to take note.

RESOLUTION: The Board considered and **TOOK NOTE** of the Implementation Status of the Compact as presented under Part I of **PAPER NO. MCA-T/GB-10/2009/1**.

PART II. REQUEST FOR DISCUSSION AND APPROVAL

The CEO said that under this section, several Quarterly Disbursement Request (QDR) packages had been prepared per the MCC Guidelines and needed to get the approval of the Board before they could be submitted to MCC for MCC's formal no objection. Detailed explanations were provided in the specified Board Papers in support of the summarized presentation. Main items were given as follows;

ITEM 5. DISCUSSION AND APPROVAL OF THIRD QUARTERLY DISBURSEMENT PACKAGE FOR COMPACT FUNDING FOR THE PERIOD COVERING OCTOBER-DECEMBER, 2009 QUARTER --- PAPER NO. MCA-T/GB-10/2009/2

DISCUSSION: The CEO told the Board that the paper was seeking for Board's approval for the third Compact Disbursement Request, covering the period October December 2009, with the accompanied standard package of documents required by MCC for each quarter. The main documents were the Narrative Report (**ANNEX 1**), Quarterly Financial Report including the Compact Detailed Financial Plan and its associated schedules (all in **ANNEX 2**), Procurement Performance Report (**ANNEX 3**), Procurement Plan (**ANNEX 4**) Indicator Tracking Table (**ANNEX 5**), Work Plans (**ANNEX 6**) and Conditions Precedent Report (**ANNEX 7**).

He reminded Board members that during its sitting on 5th June 2009, the Governing Board approved a Compact Detailed Financial Plan and Disbursement Request for the period of July to September 2009 to the tune of **US \$ 6,362,820**. The amount was based on the scheduled deliverables in sectoral work-plans at the time. MCA-T projects to spend **US \$ 3,740,701** (59%) only out of the given amount. This was mainly due to the explained delays under Part I. This necessitated a revision of work-plans to reflect the actual situation on the ground. The current Compact Detailed Financial Plan and Work plans are based on the new information available now and seeks to request further funding for the 01st October – 31st December 2009 quarter. This is the 3rd Compact quarterly disbursement request (although it is the 4th Compact quarter since the initial quarter was extended for 5 months).

The third Compact disbursement requests package has been prepared using the new MCC templates released in May 2009. For the October – December Quarter it is projected that total commitments and cash disbursements will amount to **US \$ 48,004,377** and **US \$ 12,922,800** respectively.

The breakdown by sector is as follows:-

Sector	Commitments (\$)	Cash disbursements (\$)
1. Transport	46,075,690	8,143,031
2. Energy	0	2,668,643
3. Water	0	0
4. Monitoring and Evaluation	1,341,000	493,100
5. Program Administration and Audits	587,687	1,598,026
Total	48,004,377	12,922,800

RESOLUTIONS: The Board considered and **APPROVED** a formal Compact QDR package of **US\$ 12,922,800** as the projected compact fund spending for the quarter October to December 2009; and the associated complete Compact QDR package including the Detailed Financial Plan and its corresponding schedules. The Board further directed that the package be forwarded to MCC for a formal **“no objection”**.

The Board **FURTHER RESOLVED** to delegate to the CEO authority to make any technical adjustments and corrections to the various documents as may be necessary to obtain MCC’s “no objection.”

The Board **FURTHER RESOLVED** that none of the upcoming contracts on the Compact Procurement Plan appeared to be controversial and thus, it was willing to consider approval of these contracts via written consent on a case by case basis.

ITEM 6. DISCUSSION AND APPROVAL OF QUARTERLY DISBURSEMENT REQUEST (QDR) PACAKGES UNDER THE CIF LETTER AGREEMENT AND 609G AGREEMENTS FOR PERIOD OF OCTOBER-DECEMBER 2009 QUARTER- PAPER NO. MCA-T/GB-10/2009/3

DISCUSSION: The CEO also told the Board that he was seeking the Board’s approval for the accompanying QDR packages under the 609g Agreement and CIF Letter Agreement, covering the period from October to December 2009.

He said, during its sitting on 5th June 2009, the Governing Board approved the Detailed Financial Plans and Disbursement Requests for the period of July to September 2009 to the tune of **US\$ 2,832,217** of 609g funding and **US\$ 2,175,712** under CIF funding. The amounts were based on the sectoral work-plans at the time. It is now projected that for the July – September 2009 period actual expenditure will be **US\$ 1,589,383** of 609g funds (56%) and **US\$ 2,088,790** of CIF funding (96%) only. The variation between the requested amount and projected actual spending is due to the delays in completing the Environmental Impact Assessments (EIAs), Resettlement Action Plans (RAPs), and review of designs and finalization of bidding documents by the contracted consulting firms. He said the next quarterly Detailed Financial and Work plans for 609g and CIF funds are based on the new information available now and hence the basis for the 01st October – 31st December 2009 quarter funding levels. For the 609g funding this will be the 9th quarter and the 6th quarter for the CIF funding source.

The CEO informed the Board that the 609g funding started in October 2007 with an approved budget of US\$ 9.8 million. Out of this amount, US\$ 7,901,928 has been requested and projected to be spent by end of September 2009. Based on new information and revised work plans, MCA-T expects to spend another US\$ **1,709,245** in the quarter between October and December 2009 remaining with a small balance of about \$ 180,000 already committed for the energy tariff study. The itemized expenditure areas are as shown in the table below.

Table: Financial position -609g Funds

<u>SECTOR</u>	<u>Approved Budget</u>	<u>Commitment to Sept 2009</u>	<u>Cash expenditure to Sept 2009</u>	<u>Unspent Balance</u>	<u>Request Oct - Dec 2009</u>

Transport	1,059,257	1,059,257	416,282	642,975	642,975
Energy	5,136,698	5,136,698	4,187,549	949,149	760,321
Water	-	-	-	-	-
Monitoring & Evaluation	796,945	796,945	677,402	119,543	119,543
Programme Administration	2,807,100	2,620,695	2,620,695	186,405	186,405
Total	9,800,000	9,613,595	7,901,928	<u>1,898.07</u> 2	<u>1,709,245</u>

He said the detailed breakdown and the proposed expenditure for every project are provided on page 20 of **PAPER NO.MCA-T/GB10/2009/3**.

He further reminded Board members that the CIF was also part of the Compact funds and its approval was based on an approximately 2% of the total Compact value. The authorization to spend CIF funds started soon after signing of the Compact in February 2008. Since then, funding requested and projected to be spent under this funding window up to September 2009 is **US \$ 4,285,761**. The CEO requested the Board to approve **US\$1,484,794** for the next period between October and December 2009 which, MCA-T plans to spend as shown below;

Table: Financial Position -CIF

SECTOR	Approved Budget	Commitment to Sept 2009	Cash expenditure to Sept 2009	Unspent Balance	Request Oct - Dec 2009
Transport	2,000,000	1,766,979	1,157,638	842,362	609,341
Energy	3,108,000	593,123	541,843	2,566,157	-
Water	3,130,000	3,130,000	973,349	2,156,651	868,627
Monitoring & Evaluation	-	-	-	-	-
Programme Administration	3,658,000	1,648,450	1,612,931	2,045,069	6,826
Total	<u>11,896,000</u>	<u>7,138,552</u>	<u>4,285,761</u>	<u>7,610,239</u>	<u>1,484,794</u>

RESOLUTIONS: The Board considered and **APPROVED**;-

- (i) The QDR packages for the 9th quarter of the 609g Agreement and the 6th quarter for the CIF. The Chairman was also authorized to sign the Letter of Agreement and directed that the relevant documentation be forwarded to MCC for its formal **“no objection.”**

(ii) The Board also delegated the authority to CEO MCA-T to make any technical adjustments and corrections to the afore mentioned approvals as may be necessary to obtain MCC's "**no objection**"; and

(iii) Authorized the Chairman of MCA-Tanzania Governing Board to sign the corresponding MCC request forms.

ITEM7. DISCUSSION AND APPROVAL OF CONTRACT for CONSULTANCY SERVICES FOR SUPERVISION OF WORKS FOR PACKAGE -1 UPGRADING OF TANGA-HOROHORO (68KM) TO BITUMEN STANDARD BETWEEN MCA-T and INTERCONTINENTAL CONSULTANTS AND TECHNOCRATS PVT LTD PAPER NO.MCA-T/GB-10/2009/4

DISCUSSION: The CEO told the Board that the paper was requesting for Board's approval for the final contract for **Intercontinental Consultants and Technocrats Pvt Ltd** as the works supervising consultant for the upgrading of Tanga – Horohoro road (68km) to Bitumen standard. He said the Consultant will work in association with Inter-Consult Ltd. which is a local firm.

The Consultant will carry out the assignment for a period of 24 months at the price of **United States Dollars 2,294,600.00**. This was as per the recently concluded negotiations. It is intended to get the Contract signed by 15th September 2009 after having obtained the current Board's approval.

The core activities under the contract include reviewing of designs carried out by M/s Norconsult A.S and recently updated by M/s UWP Consulting (Pty) Ltd of South Africa in association with UWP Consulting (T) Ltd of Tanzania with the aim of identifying areas (if any) that needed Employer's attention and advise accordingly.

The consultant shall also be fully responsible for the supervision of the construction in accordance with the MCC standard bidding documents. The consultant shall exercise the powers of the Engineer in all matters concerning the contract and the execution of the works. Shall also supervise the construction works with due diligence and efficiency and in accordance with sound technical, administrative, financial and economic practices. The Consulting firm shall further perform all duties associated with such tasks to ensure that only the best construction practices are followed and that the final product is in all respects equal to, or better than that specified, at the most economic costs and is carried out in full compliance with the governing specifications including all the environmental and safety requirements.

RESOLUTION: The Board Considered and **APPROVED** the Final Contract for **M/S Intercontinental Consultants and Technocrate Pvt Limited** as a supervising consultant for upgrading of Tanga-Horohoro (68km) to bitumen standard.

ITEM 8. REQUEST OF FORMAL APPROVAL OF CONTRACT EXTENSIONS FOR DOWNSTREAM ASSIGNMENTS BETWEEN MCA-T AND UWP CONSULTING (PTY) LIMITED, AFRICON LIMITED AND EGIS BCEOM INTERNATIONAL - PAPER NO MCA-T/GB-10/2009/5

DISCUSSION: In this paper the CEO asked the Board to **TAKE NOTE** and **APPROVE** contract extensions of the downstream assignments for the Mainland Trunk Roads which

were executed in July 2009 prior to being submitted to the Board for discussion and approval.

The CEO reminded the Board that during the eighth Board meeting held on March 5, 2009, the Board approved downstream assignment contracts for review and update of detailed designs, cost estimates, Environmental and Social Impact Assessment (ESIA) and Resettlement Plan (RAP) for the Mainland Trunk roads. The Contracts were signed and the activities started with the view to get the assignments completed by end of July 2009. Unfortunately, none could finish the given tasks as per the agreed timeframe...

The consultants took time before they could make their respective decisions to continue with the assignment or declare failure. As a result, MCA-T got their formal confirmations only a few days before contract expiry dates. As such, time was not with us. Following extensive consultations with MCC we all agreed to continue **with immediate contract extensions and later to seek for Board's retrospective approval**. He reminded the Board that it could have been an impossible task to extend an expired contract. He therefore requested the Board to **TAKE NOTE** and **formally APPROVE** the extensions of contracts between MCA-Tanzania and **M/S EGIS BCEOM International, Africon Limited** of South African in Association with Inter-consult Ltd and **M/S UWP Consulting (Pty) Ltd for three months** with no extension costs.

RESOLUTION: The Board **TOOK NOTE** and **APPROVED** the extension of the three contracts for three months from the original expiry date of each contract.

ITEM 9. DISCUSSION OF DRAFT IMPLEMENTING ENTITY AGREEMENT BETWEEN MCA-T AND TANZANIA BUILDING AGENCY (TBA) --- PAPER NO.MCA-T/GB-10/2009/6

DISCUSSION: The **CEO** requested the Board to **discuss** a draft Implementing Entity Agreement (IEA) between MCA-T and Tanzania Building Agency (TBA) for a provision of replacement of structures, including in-kind compensation to Project Affected Persons (PAPs) for Transport and Energy Projects. He said this was for those who may wish not to receive monetary compensations. Relevant areas covered were the Transport sector mainly the major trunk roads, between Tunduma and Sumbawanga (the Western Corridor), and part of the Mtwara Corridor including Namtumbo – Songea and Peramiho – Mbinga (the Southern Corridor) as well as the Pemba roads and upgrading of Mafia Airport. For the Energy sector, he said that areas of concern were the network Expansion of Transmission and Distribution in the 6 Regions (Dodoma, Iringa, Mbeya, Morogoro, Mwanza and Tanga), the Malagarasi Hydropower plant and the Zanzibar Interconnector Project.

He told the Board that the tabled draft agreement had been prepared by MCA-Tanzania in collaboration with MCC counterparts and shared with the TBA. All parties agreed on the basic scope of works contained in the draft agreement but talks continue regarding the ultimate optimal form that the agreement will take. . A budget line is yet to be established pending the outcome of the ongoing review studies.

The MCC Resident Country Director also brought to the Board's attention that MCC and MCA-T were currently working together on another draft Implementing Entity Agreement, to be signed between MCA-T and the National Bureau of Statistics (NBS). The draft NBS IEA is based on the same model IEA agreement already approved by MCC and the Board and in use for such Implementing Entities such as TANROADS and TANESCO.

RESOLUTION: The Board **TOOK NOTE** of the draft Implementing Entity Agreements with TBA and NBS and **DIRECTED** the same to be forwarded to the Board for

APPROVAL through written consent(s) after all technical details had been worked out in consultation with MCC.

ITEM 10. DISCUSSION AND APPROVAL OF PROGRAMME MANAGEMENT CONSULTANCY SERVICES (PMC) CONTRACT FOR TRANSPORT PROJECTS- PAPER NO.MCA-T/GB-10/2009/7

DISCUSSION: The Board was told that the tabled paper was requesting Board approval to allow the recruitment of a **Programme Management Consultancy (PMC)** firm to provide expert services to TANROADS and MCA-T staff with the view to provide an enabling environment for an effective management of contracts. In this we have both construction supervision firms and contractors. The objective of the assignment is to make sure that we have adequate capacity to meet the Employer's (i.e. MCA-T's) interests under FIDIC 1999 conditions of contract. He told the Board that PMC will greatly help to plug loopholes for costly claims in the field. The firm will also represent the Employer in the event of a dispute. With this support, contractors will be dealing with sophisticated and experienced Employer's Representatives on a day to day basis which for sure will reduce claims. During the discussion, the Board needed clarifications on the role of the PMC given that to an extent functions appeared to be similar to those of the works supervising consulting firm. The response was that the Transport Management Consultant had a specific role of facilitating on the job learning for the TANROADS site engineers as would work hand in hand with the more experienced PMC engineers. In addition, PMC will provide technical training to the project engineers from TANROADS. He further explained that from proven MCC experience, the PMC was a good investment given the fact that it helps the client in avoiding unwanted and highly costly claims that may arise in the course of the works implementation. The PMC was to be viewed as the expanded roles currently being played by the Transport Management Consultant who is now working hand in hand with the Transport Directorate. It is a capacity building within the set-up frame and does not involve replacing the existing structure but to strengthen it.

RESOLUTION: The Board **CONSIDERED** and **TOOK NOTE** of the need to recruit the PMC and **DIRECTED** MCA-T to finalize the procurement process in consultation with MCC and forward the finalized contract to the Board for approval through a written consent. Same may be forwarded to MCC for formal no objection.

ITEM 11. DISCUSSION AND APPROVAL OF PREQUALIFICATION OF CONTRACTORS FOR THE MTWARA CORRIDOR AND TUNDUMA-SUMBAWANGA ROADS – PAPER NO MCA-T/GB-10/2009/8

DISCUSSION: The CEO told the Board that the paper was intended to update Board Members on the progress in relation to the recruitment process of contractors for works for both the Mtwara Corridor and Tunduma-Sumbawanga. He said that the tenders for the contractors were advertised as per MCC Guidelines. Fifteen (15) construction firms submitted their requests for bidding. Guided by the applicable evaluation procedures, ten (10) firms were Pre-qualified and thus eligible to submit bids on the second phase of the procurement. The evaluation reports and tender documents were currently under review and were reflected under **PAPER NO.MCA-T/GB-10/2009/8**

RESOLUTION: The Board considered and **APPROVED** the pre-qualification process and list of contractors for the Mtwara Corridor and Tunduma-Sumbawanga.

**ITEM 12. MCA-T CORPORATE PLAN AND PERFORMANCE MANAGEMENT SYSTEM -
PAPER NO. MCA-T/GB-10/2009/9**

DISCUSSION: The CEO informed the Board that the paper presented the MCA-T's Corporate Plan which gave the basis for assessing performance of its senior staff members. It defines the vision, mission, core values, corporate goals and objectives. Further, it sets performance standards and provides the basis for assessing performance of individual members of the Management Team. It also tries to link performance and remuneration.

He told the Board that the purpose of the paper was to provide a common understanding on the performance expectations for both top MCA-T management and individual members of the Management Team. It strives to remove any ambiguity in the Interpretation of the roles and responsibilities of each staff member and sets performance standards and hence providing a clear basis for assessing performance of individual members of the Management Team. Performance assessment is planned to be done twice a year starting with the May- October 2009 six months period. Then the Board was requested to consider and approve proposed linkages between performance and remuneration. The following measures would be put in action while considering reward/punish based on the assessed performance levels:-

- (i) Poor performance-Disciplinary action will be taken for failure to rectify observed weakness and improve performance in two consecutive periods of six months. In most cases the employee will have to be replaced.
- (ii) Satisfactory- respective employee may remain with the existing conditions of employment contract but will be directed to make vivid improvements. May even be demoted to a lower rank if deemed to have little room for improvement.
- (iii) Good performance-respective staff member will receive merit/performance annual increase of 3% above the provision of inflation.
- (iv) Very good performance-respective employee will receive a merit increase of 3% and a certificate of very good performance.
- (v) Outstanding performance- the respective employee will receive a merit increase and certificate of Excellency performance plus a bonus of 3%.

RESOLUTION: The Board reviewed the Plan document and **APPROVED** for submission to MCC for information and record purposes.

**ITEM 13. DISCUSSION AND APPROVAL OF AUDIT REPORT OF FUND
ACCOUNTABILITY STATEMENT OF THE MILLENNIUM CHALLENGE CORPORATION
(MCC) RESOURCES MANAGED BY MCA-TANZANIA- PAPER NO MCA-T/GB-10/2009/10**

DISCUSSION: The CEO presented to the Board, the Audited Report of the Fund Accountability Statement of the Millennium Challenge Corporation (MCC) Resources managed by MCA-T. He informed the Board that on 21st April, 2009, MCC through its Inspector General's Office, engaged **M/S Innovex Auditors**, a local firm (the "**Auditor**") to carry out financial Audit of the MCC Funds granted to MCA-Tanzania which included MCA-T Fund Accountability Statement, Internal and Compliance for the period from

September 1st, 2007 to December 31st, 2008. He told the Board that the Audit was done in accordance with the US Government Standards issued by the Comptroller General of the United States. The National Audit Office of the Government of Tanzania was also involved so as to take care of the interests of the Government in accordance with the provision of Government Notice No 202 of 2007.

The CEO told the Board that specific assignments were contained in the Audit Report given as PAPER **NO MCA-T/GB-10/2009/10**. He further said, according to the audit findings, MCA-Tanzania had the following financial performance:

	Budget USD	Actual USD
Revenue	21,696,000	3,083,158
Expenditure	21,696,000	3,083,158
Outstanding fund balance	-	-

Based on the report findings, the Inspector General gave a **Clean Audit Certificate** which appears in pages 7 and 10 of the Audit Report. The Certificate indicates that the Fund Accountability Statement presents fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by Millennium Challenge Corporation (MCC) for the period from September 1, 2007 to December 31, 2008 was in accordance with the terms of the Compact Agreement.

The Auditors issued a total of fourteen audit recommendations for the action of Management for which Management has already initiated implementation actions. See **Board Paper No MCA-T/GB-10/2009/10**.

RESOLUTION: The Board **TOOK NOTE** and **ADOPTED** the audit report of Fund Accountability Statement of the Millennium Challenge Corporation (MCC) resources managed by MCA-Tanzania under the Compact Agreement dated February 17th, 2008 between MCC and the Government of the United Republic of Tanzania for the period from September 1, 2007 to December 31st, 2008. The Board **DIRECTED THAT at the end of all procedural demands**, the adopted Report be forwarded to both MCC and the National Audit Office for information, record purposes and guidance where seen to be appropriate.

ITEM 14. DISCUSSION AND APPROVAL OF DELEGATION OF POWERS OF THE GOVERNING BOARD – PAPER NO. MCA-T/GB-10/2009/11

DISCUSSION: The CEO told the Board that this was a substantive paper arising from matters arising from the 9th Board Meeting held on June 5th, 2009. He said that during the said meeting, the Board considered and after a very good exchange through discussion of **PAPER No. MCA-T/GB-9/2009/2**, the Board directed the Secretariat to propose possible options reflecting the need to have a technical Committee or a body that would be in a position to assist the Board in sorting out and analyzing voluminous technical papers before the Board.

In view of this, the Board directed further that more consultations with MCC be continued with the view to streamline the tasks for the committee or body, explaining in clear terms the powers to be either delegated or authorized to the body by the Board. He reported that consultation with MCC had been finalized and certain studies of the relevant applicable instruments have also been consulted to support a workable

recommendation. The CEO invited the Secretariat to present the options for the Board to deliberate upon. The Secretariat presented three options. **Option 1** referred to the establishment of a **Technical Committee** whose role would be to assist the Board in sorting out and digesting the voluminous documents by making recommendations but not decisions for the Board... **Option 2 (a)** was for the Board to delegate the MCA-T CEO the role to review and decide on all Quarterly Disbursements Request packages (QDRs) including the various reports, work plans and other documents that are constituted parts thereof, as set forth in **PAPER NO. MCA-T/GB-10/2009/11, BUT** with regular reporting to the Board. The Secretariat presented also Option **2(b)** which would require the establishment of a full Executive **Committee** that could act with the full power and authority of the Board with respect to preparation of QDRs, in the same manner as proposed under Option 2(a) for the MCA-T CEO. The Secretariat recommended **Option 2(a)** to be more favorable and practical.

RESOLUTION: The Board considered all options presented and eventually supported and **APPROVED** the recommendation to delegate the forgoing functions to the **MCA-T CEO** (i.e. Option 2(a). The Board further noted, however, that a technical team from within MCA-T needed to be in place to work with the MCA-T Management to ensure that the Board was presented with well worked out papers that had the needed details for adequate decision making and not the current bulky papers. This would contribute to good governance and accountability. The Board further **DIRECTED** that the resolution be forwarded to MCC for MCC's information.

ITEM 15. DISCUSSION AND APPROVAL OF AMENDMENT TO FISCAL ACCOUNTABILITY PLAN (FAP) -PAPER NO MCA-T/GB-10/2009/12

DISCUSSION: The CEO told the Board that the Fiscal Accountability Plan (FAP) establishes and defines the necessary processes to manage the MCC funds by MCA-T. It includes rules, regulations and procedures for receiving funds, funds protection, custody and disbursement, budgetary controls, tax exemptions, currency conversion, management of assets, information exchange, travel regulations, reporting and monitoring of relevant activities. He said that it is the operations manual for all MCA-T business, be it financial or non-financial. The FAP is updated every six months i.e. June and December, but in between that period, urgent changes that are necessary for MCA-T operations may be added by circular issued by the MCA-T CEO, which are effective until subsequent and modification or approval by the Board. For now, MCA-T Management proposes to make three changes for Board's approval. These are **Fuel Policy allowing our Zanzibar office to secure fuel under pre-paid arrangement, Invoice Payment Process under the FIDIC Contracts conditions and Payment Process for Project affected Persons (PAP) under TZS 400,000/=..**

RESOLUTION: The Board considered and **APPROVED** the proposed changes to the FAP as presented in **PAPER NO MCA-T/GB-10/2009/12 and AUTHORIZED the CEO** to sign an Administrative Circulars to operationalize the amendments to the FAP. The same will be submitted to MCC together with any subsequent changes or amendments for MCC's formal semi-annual review of the FAP in December 2009.

ITEM 16. IMPLEMENTATION OF BID CHALLENGE SYSTEM (BCS) -PAPER NO MCA-T/GB-10/2009/13

DISCUSSION: The CEO told the Board that the purpose of this paper was to give a brief explanation on implementation status of the BCS and request the Board to approve operationalization of the BCS. He said, in accordance with the MCC Program

Procurement Guidelines (MCC PPG), MCA-T has to put in place a Bid Challenge System (BCS) for the purpose of enabling Bidders who believe to have been wrongly treated to seek review of the procurement process and therefore be remedied if they have suffered loss or injury due to negligence or abuse of procurement process by MCA-Tanzania.

The CEO said that Board members will recall that during its fifth Board meeting on 29th August 2008 it did approve the establishment of a Bid Challenge machinery. However, the operationalization of the BCS requires that MCA-T identify and appoint not less than ten (10) members into the Independent Bid Challenge Appeals Panel out of whom three (3) members can be selected in accordance with the BCS to form an Independent Appeal Board that shall examine facts of the claims received by MCA-T and give a decision.

The CEO informed the Board that based on the foregoing; the MCA-T Chairman has appointed TEN individuals who would constitute the members of the Independent Bid Challenge Appeal Panel. The names of the panel is contained in **PAPER NO MCA-T/GB-10/2009/13**.

RESOLUTION: The Board TOOK NOTE of the status and **APPROVED** the operationalization of the Independent Appeal Panel and **DIRECTED** the same to be forwarded to MCC for a formal no objection.

ITEM 17. DISCUSSION AND APPROVAL OF CONSULTANCY SERVICES FOR SUPERVISION OF WORKS FOR MTWARA CORRIDOR (139) TO BITUMEN STANDARD BETWEEN MCA-T AND NICHOLAS O'DWYER PAPER NO.MCA-T/GB-10/2009/14

DISCUSSION: The CEO asked the Board to discuss and approve the final contract for the procurement of Nicholas O'Dwyer and Company Ltd as a supervising Consultant for the upgrading of Mtwara Corridor roads (139km) to Bitumen Standard. He said the recruitment process is at the final stages. He told the Board that this assignment is for a period of 39 months at the price of **United States Dollars 4,627, 400.00**. He said the negotiations had been finalized and the contract was to be signed by 15th September, 2009 after obtaining the Board's approval.

RESOLUTION: The Board **CONSIDERED** the need to recruit the supervising Consultant and **APPROVED** the final contract between Nicholas O'Dwyer and MCA-T, and directed the MCA-T CEO to finalize the process in consultation with MCC and execute the contract.

ITEM 18. ANY OTHER BUSINESS:

Confirmation appeal by some senior staff members

The Board decided to form a small committee made up of the Board Chairman, Mr. Mariki and Mr. Kajiru-with the view to handle a pending appeal case. The Chairman will decide as to when to schedule a meeting to resolve the case. This was as per the law and the MCA-T regulations.

Additional Contracts currently nearing final stage of Negotiation that will need Board Approval

The MCC Resident Country Director also brought to the Board's attention that MCA-T, in conjunction with MCC, was currently working on final contract negotiations for several additional contracts that would soon come before the Board. These contracts included: (1) the contract for Construction Supervision Services for the upgrading of Tunduma-

Sumbawanga Road (224km) to Bitumen Standard with the firm of EgisBCEOM International BCEOM; (2) a contract with the firm of M/S Intercontinental Consultants and Technocrats Private Limited (ICT) to study and as necessary re-design the Environmental and Social Impact Assessment and Economic Analysis for the Pemba Rural Roads activity, with an option of carrying out the Review and Update of Detailed Engineering Design, Resettlement Action Plan and Preparation of Tender Documents for the construction works; (3) one or more short term individual consultancies to provide additional expertise to upcoming MCA-T Technical Evaluation Panels for works awards; and (4) a single sourcing contract with Ms Africare to undertake resettlement implementation activities covering Malagarasi Mini hydro project and the Zanzibar Cable Interconnector project

RESOLUTION: The Board **CONSIDERED** the need for the services to be procured in each of the contracts set forth above and, since there did not appear to be anything unusual or controversial about any of them, and in the interest of timely and efficient implementation of the Compact, the Board **DIRECTED** the MCA-T CEO to finalize the ongoing procurement processes for each and bring the final negotiated contracts to the Board for final consideration and approval via written consent.

ITEM 19: CLOSING:

The Chairperson thanked the Governing Board Members and all the invited participants for their active and constructive participation and adjourned the meeting at 18.40 pm. The Board further agreed to hold the 11th meeting on Thursday **26th November, 2009** at the same time and venue.

L.T. Msongole
**Acting Chairperson of the Governing
Board
MCA-Tanzania**

Bernard S. Mchomvu
**Chief Executive Officer
MCA-Tanzania**

September 4, 2009