



## CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

We wish to inform you that the Millennium Challenge Corporation (“MCC”) entered into a Millennium Challenge Compact with the Government of Burkina Faso on August 13, 2020 (the “Compact”). We are providing you with a detailed summary of the Compact and, upon request, will provide you with the text of the Compact. In addition, the text of the Compact is available on MCC’s website.

The attached notification is being sent to Congress on August 20, 2020.

If you or your staff would like to arrange a meeting to discuss the Compact, please contact Dan Petrie, at (202) 521-3583 or [PetrieDB@mcc.gov](mailto:PetrieDB@mcc.gov).

Sincerely,

/s/

Emily Davis  
Vice President  
Congressional and Public Affairs

Enclosure: As stated

**MILLENNIUM CHALLENGE CORPORATION  
CONGRESSIONAL NOTIFICATION**

August 20, 2020

In accordance with section 610(b)(2) of the Millennium Challenge Act of 2003, as amended (the “Act”), this notification is to advise that the Millennium Challenge Corporation (“MCC”) entered into a Millennium Challenge Compact with the Government of Burkina Faso under section 605 of the Act on August, 13, 2020 (the “Compact”).

A detailed summary of the Compact follows.

## SUMMARY OF BURKINA FASO COMPACT

### Overview of MCC Burkina Faso Compact

MCC's five-year, \$450,000,000 Compact with the Government of Burkina Faso (the "Government") is aimed at addressing Burkina Faso's key binding constraints to economic growth which are the high cost, low quality, and low access to electricity. The Compact will address this constraint through the following three projects: the Strengthening Electricity Sector Effectiveness Project; the Cost-Effective and Reliable Electricity Supply Project; and the Grid Development and Access Project. The projects will address the poor condition of energy infrastructure, insufficient generation capacity, and an over-reliance on thermal energy.

### Project Summaries

The Compact is comprised of three projects:

1. The **Strengthening Electricity Sector Effectiveness Project** aims to improve and strengthen the legal, regulatory, and institutional framework of the electricity sector by funding priority sector reforms and capacity-building for key actors in the sector, including the national utility, regulator, and Ministry of Energy. This project is expected to result in improved planning and operational efficiency, and increased investment by the private sector, all of which will translate into improved quality and supply of electricity as well as lowering the cost of service.
2. The **Cost-Effective and Reliable Electricity Supply Project** aims to increase the supply of energy and the reliability of the network, at a lower cost for the national utility, through the production and storage of solar energy and increased imports. This project will improve electricity supply infrastructure through the introduction of batteries for energy storage, and improvements to electricity dispatch centers. These activities are expected to result in the increased availability of affordable electricity through the production and storage of solar electricity and increased imports of electricity, which in turn will improve electricity network reliability by reducing outages and other breakdowns. Improved reliability and increased supply from cheaper sources will make electricity more cost-effective by lowering costs for both the national utility as well as its customers.
3. The **Grid Development and Access Project** aims to reduce outages and increase the availability and consumption of electricity for grid-connected end users by (i) updating the transmission and distribution networks, and (ii) increasing access and targeting productive use of electricity. This project is expected to result in extending the reach and capacity of the electricity network and improving the access of customers covered, allowing the national utility to reduce losses and outages caused by system failures and lack of redundancy, as well as to increase coverage, access, and consumption by end users.

### Compact Budget

Below is a summary describing the components of the Compact. The budget for the Compact is approximately \$500.11 million, which includes MCC funding of up to \$450 million and a Government of Burkina Faso contribution of at least \$50.11 million.

## Burkina Faso Compact Budget

Component	Amount
<b>1. Strengthening Electricity Sector Effectiveness Project</b>	<b>\$46,920,170</b>
1.1 Development of Institutional and Regulatory Framework Activity	\$4,797,000
1.2 Support for the Development of Independent Power Producers Activity	\$2,691,000
1.3 Strengthening of Institutional Organization and Capacity Activity	\$37,881,090
1.4 Project Management and Oversight Activity	\$1,551,080
<b>2. Cost-Effective and Reliable Electricity Supply Project</b>	<b>\$99,534,417</b>
2.1 Facilitating New Low-Cost Supply Activity	\$16,124,097
2.2 Improving Reliability of Supply Activity	\$62,542,144
2.3 Improving Regional Connectivity Activity	\$15,568,176
2.4 Project Management and Oversight Activity	\$5,300,000
<b>3. Grid Development and Access Project</b>	<b>\$210,678,788</b>
3.1 Expanding and Improving the Ouagadougou Grid Activity	\$77,583,226
3.2 Expanding and Improving the Bobo-Dioulasso Grid Activity	\$86,969,651
3.3 Improving Access and Productive Use Activity	\$9,701,911
3.4 Project Management and Oversight Activity	\$36,424,000
<b>4. Monitoring and Evaluation</b>	<b>\$11,992,899</b>
<b>5. Program Administration</b>	<b>\$80,873,726</b>
<b>Total MCC Funding</b>	<b>\$450,000,000</b>

Total Compact Program Funding	Amount
Total MCC Funding	\$450,000,000
Government of Burkina Faso Contribution	\$50,110,795
<b>Total Compact</b>	<b>\$500,110,795</b>