



CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

The Millennium Challenge Corporation intends to provide assistance to the Government of Côte d'Ivoire to facilitate the development and implementation of a concurrent Millennium Challenge Compact for purposes of regional economic integration.

If you or your staff would like to arrange a meeting to discuss this assistance, please contact Brian Forni at (202) 521-2631 or ForniBJ@mcc.gov.

The attached notification is being sent to the Congress on July 12, 2022. The assistance may be provided, and funds obligated on or after 15 days from the date of this notification.

In addition to the enclosed notification, we have attached supplemental information regarding the planned assistance.

Sincerely,

/s/

Aysha House
Vice President
Congressional and Public Affairs

Enclosure: As stated

**MILLENNIUM CHALLENGE CORPORATION
CONGRESSIONAL NOTIFICATION**

July 12, 2022

PROGRAM: Eligible Countries

APPROPRIATIONS CATEGORY: Fiscal Year 2021

OBLIGATION AMOUNT: \$750,000

Pursuant to Division K, Title III under the heading “Millennium Challenge Corporation” of the Consolidated Appropriations Act, 2021 (P.L. 116-260) and section 610(a) of the Millennium Challenge Act of 2003, as amended (the “Act”), this is to advise that the Millennium Challenge Corporation (“MCC”) intends to obligate up to \$750,000 under section 609(g) of the Act to provide assistance to the Government of Côte d’Ivoire for the purpose of facilitating the development of a Millennium Challenge Compact.

The funds are expected to finance the initial staff salaries and related program administrative expenses for the Côte d’Ivoire compact development team as it works to develop a concurrent compact with a focus on regional energy integration.

SUPPLEMENTAL INFORMATION

Background

Côte d'Ivoire experienced political instability and economic decline throughout the 1990s and 2000s. Between 2012–2019, political stability and policy reforms have allowed the economy to recover from years of stagnation, with an average annual GDP growth rate of eight percent during that period. This progress can be seen in the reduction of the poverty rate as measured by the national poverty line from 46.3 percent in 2015 to 39.5 percent in 2018. The Government of Côte d'Ivoire has been a committed MCC partner, instituting reforms that move the country towards a more vibrant, robust, and stable economic growth.

Compact Eligibility

In December 2018, MCC's Board of Directors ("Board") selected Côte d'Ivoire as eligible to develop a concurrent compact for purposes of regional economic integration. The Board also selected Burkina Faso for the same purpose, and MCC began working with each country to determine whether there were regional projects that met MCC's investment criteria. In 2019, 2020, and 2021, the Board reselected Côte d'Ivoire and Burkina Faso as eligible to continue developing potential concurrent compacts.

However, on January 23 and 24, 2022, elements of the military of Burkina Faso overthrew the democratically elected government of Burkina Faso in a coup d'état. In response, on March 31, 2022, MCC's Board concurred with the recommendation of the MCC CEO to suspend assistance to Burkina Faso, and to suspend Burkina Faso's eligibility for a concurrent compact, based on the finding that the military forces' overthrow of the democratically elected government constituted a pattern of actions inconsistent with the criteria used to determine the eligibility of Burkina Faso for assistance, under Section 611(a)(2) of the Millennium Challenge Act of 2003, as amended, and pursuant to MCC's Policy on Suspension and Termination.

Côte d'Ivoire remains eligible to develop a concurrent compact that could serve as the core of a regional project, and has demonstrated an ongoing commitment to the principles of democratic governance that underpin MCC's eligibility criteria. Over the past decade, the Government of Côte d'Ivoire has made systematic efforts to strengthen its performance on the MCC scorecard, resulting in significant improvements over time.

Constraints Analysis

Prior to the coup d'état in Burkina Faso and the suspension of Burkina Faso's eligibility for a concurrent compact, MCC worked with the Burkina Faso and Côte d'Ivoire governments on a potential energy integration program. The compact development process also benefitted from the involvement of the West African Power Pool (WAPP), which is responsible for developing regional power projects in West Africa. MCC signed a cooperative agreement with WAPP on May 7, 2021, under which WAPP is managing a feasibility study and environmental and social impact assessment of the original potential project between Burkina Faso and Côte d'Ivoire. Senior officials from both Burkina Faso and Côte d'Ivoire have engaged with WAPP on this ongoing work, which was initially supported by \$3 million provided under Burkina Faso's domestic energy-sector focused compact.

In light of recent events in Burkina Faso, and the suspension of Burkina Faso's eligibility to develop a concurrent compact, MCC has pivoted regional engagement efforts towards a concurrent compact with Côte d'Ivoire that can support regional economic integration.

Summary of Proposed Project Interventions

MCC will focus on identifying interventions that strengthen regional institutions, capacity, and market rules. We will analyze opportunities that facilitate Côte d'Ivoire's role as a regional power trade partner, including providing institutional support to Côte d'Ivoire as an anchor for regional trade and wholesale power exchange within a broader integrated and regulated market. MCC expects that WAPP will continue to be a critical resource as the Côte d'Ivoire program design advances.

Assistance to Develop the Compact Proposal

To date, the Government of Côte d'Ivoire has been an excellent partner, making government officials and sector experts available, as well as vital information that will advance the development of a concurrent compact program aimed at regional economic integration. Given the priority of developing this compact, MCC believes that the availability of a well-staffed compact development team in Côte d'Ivoire in the near-term is critical. The compact development team would be expected to complement and partner with MCC in identifying, prioritizing, and designing specific program interventions.

In order to assist Côte d'Ivoire to further develop the proposed compact, MCC intends to reimburse some portion of the initial compact development team salaries and related program administrative expenses. Funding these activities reflects MCC's commitment to preparing projects in a comprehensive manner, prior to compact signing, to reduce implementation risk and increase confidence in the economic justification and technical feasibility of the proposed projects.

Update on and Sustainability of Côte d'Ivoire's Current Bilateral Compact

MCC and the Government of Côte d'Ivoire signed a \$524.7 million compact on November 7, 2017. This compact entered into force on August 5, 2019. In April 2022, Côte d'Ivoire finalized an amendment to the compact, extending the compact term by twelve months until August 5, 2025, and increasing its budget by \$12 million dollars, given the extensive implementation constraints due to COVID-19.

1. Project #1 – Abidjan Transport

Objective: The Abidjan Transport Project comprises two activities designed to improve efficiency in the transport of people and goods, increase the integration between transport systems, and improve road safety and pavement surface conditions in Abidjan along the major transport arteries. The Transport Infrastructure Activity will focus on the rehabilitation of up to 32 kilometers (20 miles) of critical roadway and adjoining infrastructure in the central corridor of Abidjan. The Transport Management and Planning (TMP) Activity will invest in educational and training resources for road asset management, develop road asset and safety resources and management tools, and develop mechanisms to support more efficient use of road maintenance funds. The TMP Activity will also support transaction advisory services

to help Côte d'Ivoire develop private sector-led solutions to resolve the persistent problem of heavy-truck parking in and around the Port of Abidjan.

Current Status: The tender documents for three of the four roads were released in June 2022 with the start of construction in early 2023. These roads will facilitate traffic flow and improve pedestrian and vehicle safety in and out of the port and airport area and on some of Abidjan most important thoroughfares. A reverse trade mission with the U.S. Trade and Development Agency (USTDA) took place in June. The delegation visited the ports of Baltimore, New York/New Jersey, and Norfolk with the goal of promoting U.S. technology and practices in port logistics as part of the development of a compact-supported public private partnership in truck parking and logistics in Abidjan.

2. **Project #2 – Skills for Employability and Product**

Objective: The Skills for Employability and Productivity Project is comprised of two activities. The Secondary Education Activity will construct, equip, and provide support for up to 84 new secondary schools, construct two teacher training satellite campuses and redesign the pre-service teacher training curriculum, develop, and operationalize a national gender policy for Côte d'Ivoire's educational system, and support the development of an integrated education management information system. The Technical and Vocational Education and Training (TVET) Activity will establish three to four new TVET centers that will be developed and managed through public-private partnerships with industries in Côte d'Ivoire. In addition, the TVET Activity will support the development of a permanent tracer study system and a national accreditation system for TVET centers.

Current Status: Construction works began on the first tranche of secondary schools in the San Pedro region, with construction for the remaining tranches expected to begin in 2023. The Presidency also presented the new TVET reform bill to the Parliament, which will enable the private sector for the first time to participate in the financing and management of TVET alongside the public sector. This bill is the first of its kind in Côte d'Ivoire to orient the funding and management of TVET centers. As a result of it, several donors, including the World Bank and the African Development Bank, will benefit from this law as they implement new programs in this area.