



CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

In accordance with section 610(b)(2) of the Millennium Challenge Act of 2003, as amended, we wish to inform you that the Millennium Challenge Corporation (“MCC”) entered into a concurrent Millennium Challenge Compact with the Government of Niger on December 14, 2022 (the “Compact”). We have included a detailed summary of the Compact. The text of the Compact is available on MCC’s website.

We will identify a link to the Compact and a summary of it in the Federal Register and on MCC’s website.

The attached notification is being sent to Congress on December 14, 2022.

Sincerely,

/s/
Aysha House
Vice President
Congressional and Public Affairs

Enclosure as stated

**MILLENNIUM CHALLENGE CORPORATION
CONGRESSIONAL NOTIFICATION**

December 14, 2022

In accordance with section 610(b)(2) of the Millennium Challenge Act of 2003, as amended (22 U.S.C. 7701 et seq.) (the “Act”), this notification is to advise that the Millennium Challenge Corporation (“MCC”) entered into a concurrent Millennium Challenge Compact with the Government of Niger under sections 605 and 609(k) of the Act on December 14, 2022 (the “Compact”).

A detailed summary of the Compact follows.

SUMMARY OF NIGER CONCURRENT COMPACT

Overview of MCC Niger Concurrent Compact

MCC has signed a five-year, \$302,000,000 Compact with the Government of Niger aimed at reducing poverty through economic growth.

The Compact seeks to assist the Government of Niger in reducing transportation costs along the transport corridor from Cotonou, Benin to Niamey, Niger (the “Corridor”) to reduce poverty through inclusive, sustainable economic growth while increasing regional economic integration, trade, or cross-border collaboration with Benin. The Compact will achieve this goal through two projects: the Corridor Infrastructure Project and Efficient Corridor Operations Project.

Background and Context

Niger, the second largest landlocked country in West Africa, faces the uncertainties of having Violent Extremist Organizations on multiple borders. Security remains a principal concern of the Government of Niger and imposes an increasingly heavy burden on its national budget. Niger’s harsh climate, state-dominated economy, and low education rates are additional development challenges. Resources to cope with the world’s highest fertility rate (6.9 children per woman) and fastest population growth (3.7 percent per year) are limited, and 44 percent of the Nigerien population lives below the poverty line.

Selection and Eligibility

In December 2018, MCC’s Board of Directors (“Board”) selected Benin and Niger as eligible to develop concurrent compacts. MCC began working with each country to determine if there were projects that met MCC’s compact investment criteria and evaluated the countries’ ability to work with MCC. In 2019, 2020, and 2021, the Board reselected both Niger and Benin to continue developing concurrent compacts. MCC focused the development of the concurrent compacts on a potential regional integration transport program between the countries. The Board approved the Niger concurrent compact in September 2022 and MCC and Niger signed the Compact on December 14, 2022.

Following the initial selection of Niger and Benin for potential concurrent compacts, an MCC team conducted project scans and worked to gather priority projects in the energy and transportation sectors from each country for consideration. It was determined that ideal investment opportunities for MCC’s initial concurrent compacts would be cross-border infrastructure projects, with policy and institutional reform (“PIR”) components, which collectively have significant political support and otherwise meet MCC’s investment criteria. Important market and institutional constraints along the Corridor include uncompetitive and extractive freight allocation arrangements, inefficient trucking industries, dysfunctional border crossings and customs processing, weak maintenance regimes, and weak application of regional axle load limit regulations. The concurrent

compact includes transport infrastructure and PIR aimed at addressing one or more of these constraints.

The Government of Niger has successfully met significant PIR commitments in the initial Niger compact signed in 2016, demonstrating its commitment to the compact’s goals and strong partnership with MCC. In addition, Niger consistently passes the MCC scorecard. In Fiscal Year (“FY”) 2023, it passes 13 of 20 indicators, including the Control of Corruption and Democratic Rights hard hurdles. Niger’s scorecard and policy performance reflects the country’s recent democratic progress, which led to credible legislative and presidential elections in December 2020 and February 2021. These elections, and the subsequent democratic transition in April 2021—Niger's first ever transfer of power between democratically elected presidents—are reflected in Niger’s improvement on the Political Rights scorecard indicator in FY 2023.

Project Summaries

The projects and activities to be completed are:

1. Corridor Infrastructure (“CI”) Project

The objective of the *CI Project* is to reduce transportation costs along the Corridor with transportation costs including vehicle operating costs, time-related costs and injuries and deaths.

- **Activity 1 - Road Rehabilitation:** This activity aims to rehabilitate and upgrade approximately 127 km of the *Route Nationale 1* road between the cities of Niamey and Dosso crossing the regions of Tillabéri and Dosso.
- **Activity 2 - Road Maintenance:** This activity aims to implement policy and institutional reforms in order to assist the *Agence de Maîtrise d’Ouvrage Délégué de l’Entretien Routier* to better undertake periodic road maintenance by improving the quality of the road maintenance work, optimizing the budget for such maintenance work, reducing the road maintenance funding gaps, and improving the coordination of planning and selection of roads for periodic maintenance as well as the road maintenance framework maintained by the Ministry of Equipment’s *Direction de Gestion des Réseaux Routiers*.

2. Efficient Corridor Operations (“ECO”) Project

The objective of the *ECO Project* is to reduce transportation costs along the Corridor including vehicle operating costs, time-related costs, injuries and deaths as well as costs related to unreliable processes and market inefficiencies.

- **Activity 1 - Freight Sector Operations Improvement:** This activity intends to promote meaningful reforms intended to impact and improve the efficiency of truck freight sector operations by addressing axle load management, regulatory review and capacity building, freight vehicle regulation, and the organization and establishment of a Corridor Authority.
- **Activity 2 - Customs Border Operations Improvement:** This activity intends to support improvements to the Nigerien custom border operations at the Gaya-Malanville crossing between Niger and Benin, in order to improve the fluidity of corridor operations.

Additionally, this activity may include the construction of approximately 8 km bypass road in Gaya, Niger.

Policy Reform and the Compact

The PIR identified as critical are focused on the improvement of the road maintenance institutional framework and ensuring untapped sources of maintenance funding can become available.

The following is a preliminary, non-exhaustive, list of the proposed reforms:

- Creation of an incentive road maintenance matching fund.
- Creation of a core Road Asset Management Unit (“RAMU”), staffed with sufficient capacities within the Ministry of Infrastructure, with the prerogatives of planning and programming periodic road maintenance and road improvements.
- Development of a road master plan and preparation of a 5-year periodic road maintenance plan, updated annually, by RAMU using a model such as HDM-4.
- Establishment of data-driven and economic-based periodic road maintenance planning and programming procedures.

Some of these reforms must be adopted by the Government prior to entry into force of the proposed concurrent compact. Demonstrating continued compliance to the terms and conditions of these reforms will be a condition precedent to subsequent disbursement requests of the concurrent compact funding. The project design incorporates technical assistance to support the successful implementation of these reforms.

Compact Overview and Budget

Below is a summary describing the components of the proposed compact with the Government of Niger. The budget and expected impacts are based on initial due diligence and project appraisal. The anticipated budget for the proposed compact is up to \$317,000,000, including the Government of Niger’s country contribution.

Niger Concurrent Compact Budget (US\$)

MCC Funding by Compact Component	Amount
1. Corridor Infrastructure Project	\$181,330,215
1.1 Road Rehabilitation Activity	\$157,012,348
1.2 Road Maintenance Activity	\$24,317,867
2. Efficient Corridor Operations	\$70,349,500
2.1 Freight Sector Operations Improvement Activity	\$21,030,000
2.2 Customs Border Operations Improvement Activity	\$49,319,500
3. Monitoring and Evaluation	\$1,500,000

4. Program Administration and Oversight	\$48,820,285
Total MCC Funding	\$302,000,000
Government of Niger Contribution	\$15,000,000
Total Compact	\$317,000,000