

**MILLENNIUM CHALLENGE CORPORATION**

**[MCC FR 26-04]**

**Notice of First Amendment to Compact with the Republic of Senegal**

**AGENCY:** Millennium Challenge Corporation.

**ACTION:** Notice.

**SUMMARY:** In accordance with the Millennium Challenge Act of 2003, as amended, the Millennium Challenge Corporation is publishing a summary, justification, and full text of the proposed First Amendment to Millennium Challenge Compact between the United States of America, acting through the Millennium Challenge Corporation, and the Republic of Senegal. Representatives of the United States Government and the Government of Senegal plan to conclude the Amendment in late May or early June of 2026.

(Authority: 22 U.S.C. 7708 (i) (2))

Dated: May 1, 2026

\_\_\_\_\_/s/  
**Brian Finkelstein,**  
*Acting Vice President, General Counsel, and Corporate Secretary.*

## **Summary of First Amendment to Millennium Challenge Compact with the Republic of Senegal**

The Board of Directors of the Millennium Challenge Corporation (“*MCC*”) has approved an amendment (the “*Amendment*”) to the existing US\$550 million, five-year Millennium Challenge Compact between the United States of America, acting through MCC, and the Republic of Senegal (the “*Compact*”).

### **Background**

The Compact was signed on December 10, 2018 and entered into force on September 9, 2021. The Compact is designed to modernize Senegal’s electricity sector through the delivery of reliable and stable electricity to allow for expansion of the grid, diversification of electricity generation sources, and leverage of Senegal’s burgeoning oil and gas sector, which includes several American firms. The Compact aims to lower electricity costs and improve reliability, addressing key barriers to investment cited by over 50 American firms operating in Senegal.

### **Scope of the Amendment**

MCC proposes to extend the term of the Compact for an additional six months to March 9, 2027 and to provide additional funding up to US\$15.9 million. The term extension is necessary to mitigate implementation delays and to complete infrastructure projects as originally contemplated. The proposed increase in assistance will be provided entirely from funds already appropriated to MCC. The additional funds will be used to cover additional program administration and related oversight costs associated with extending the Compact’s term.

### **Justification for the Amendment**

Absent a time extension, the Compact’s critical investments face completion, health and safety, and sustainability risks, jeopardizing the full realization of MCC’s intended development and economic outcomes in the energy sector. The six-month extension will preserve implementation quality, support post-Compact sustainability of investments, and enable Senegal’s gas-to-power energy strategy to advance with significant investments and

opportunities for American firms. The amendment will reinforce MCC’s model of delivering measurable development impact while supporting U.S. economic interests and fostering a more stable and market-oriented business environment in Senegal.

The unplanned halt to Compact implementation activities in early 2025 occurred during a critical implementation phase and led to the desynchronization of schedules, loss of personnel, costly demobilization/remobilization, and slow contractor restarts across multiple Compact activities. Without a six-month extension, several key Compact projects would be at risk of non-completion. Transferring these incomplete works and associated costs to the Government of Senegal could result in the potential waste of U.S. taxpayer funds if the works were improperly finished or incomplete, creating significant reputational risk to the United States.

The six-month extension addresses schedule delays and safeguards MCC’s energy investments. On the Transmission Project, the extension will secure functional integration of large-scale infrastructure onto the national electricity network, allow sufficient testing and commissioning, and enable an orderly transfer of infrastructure assets to the grid. The additional time on the Access Project will help ensure the completion of critical works to extend the electricity distribution network and connect all planned communities, households, and socio-economic facilities to the grid. Additionally, a six-month extension will ensure sufficient time for an orderly and sustainable closure of administrative operations in line with MCC standards and procedural requirements.

**FIRST AMENDMENT TO MILLENNIUM CHALLENGE COMPACT BETWEEN THE UNITED STATES OF AMERICA, ACTING THROUGH THE MILLENNIUM CHALLENGE CORPORATION AND THE REPUBLIC OF SENEGAL**

**FIRST AMENDMENT TO MILLENNIUM CHALLENGE COMPACT**

This FIRST AMENDMENT TO MILLENNIUM CHALLENGE COMPACT (this “*Amendment*”), is made by and between the United States of America, acting through the

Millennium Challenge Corporation, a United States government corporation (“*MCC*”), and the Republic of Senegal (“*Senegal*”), acting through its Ministry of Economy, Planning, and Cooperation (the “*Government*”) (each referred to herein individually as a “*Party*” and collectively, as the “*Parties*”). All capitalized terms used in this Amendment that are not otherwise defined herein have the meanings given to such terms in the Compact (as defined below).

## RECITALS

WHEREAS, the Parties signed that certain Millennium Challenge Compact by and between the United States of America, acting through MCC, and the Republic of Senegal acting through its Ministry of Economy, Finance and Planning on December 10, 2018 (the “*Compact*”);

WHEREAS, Section 7.4 of the Compact provides for a Compact Term of five years from its entry into force;

WHEREAS, the Compact entered into force on September 9, 2021;

WHEREAS, the Parties now desire to extend the Compact Term by six (6) months (the “*Extension*”), and to increase assistance under the Compact for related administrative and oversight costs, to allow the Government more time to implement and complete the Projects in order to fully achieve the Compact Goal, Project Objectives and Program Objectives; and

WHEREAS, pursuant to Section 6.2(a) of the Compact, the Parties desire to amend the Compact as more fully described herein to memorialize the Extension;

NOW, THEREFORE, the Parties hereby agree as follows:

## AMENDMENTS

### 1. Amendment to Section 2.1.

Section 2.1 (*Program Funding*) of the Compact is amended and restated to read as follows:

“Section 2.1 Program Funding. Upon entry into force of this Compact in accordance with Section 7.3, MCC will grant to the Government, under the terms of this Compact, an amount not to exceed Five Hundred Forty-Three Million Two Hundred Sixty-Seven Thousand Seven

Hundred Nine United States Dollars (US\$543,267,709) (“**Program Funding**”) for use by the Government to implement the Program. The allocation of Program Funding is generally described in Annex II.”

2. Amendment to Section 2.2

Section 2.2(a) (*Compact CDF*) of the Compact is amended and restated to read as follows:

“(a) Upon the signing of this Compact, MCC shall grant to the Government, under the terms of this Compact and in addition to the Program Funding described in Section 2.1, an amount not to exceed Twenty-Two Million Six Hundred Thirty-Two Thousand Two Hundred and Ninety-One United States Dollars (US\$22,632,291)(“**Compact CDF**”) under Section 609(g) of the Millennium Challenge Act of 2003, as amended (the “**MCA Act**”), for use by the Government to facilitate implementation of this Compact, including for the following purposes:

- (i) financial management and procurement activities;
- (ii) administrative activities (including start-up costs such as staff salaries) and administrative support expenses such as rent, computers and other information technology or capital equipment;
- (iii) monitoring and evaluation activities;
- (iv) feasibility, design and other project preparatory studies; and
- (v) other activities to facilitate Compact implementation as approved by MCC.

The allocation of Compact CDF is generally described in Annex II.”

3. Amendment to Section 6.7(b).

Section 6.7(b) (*References to Laws, Regulations, Policies and Guidelines; References to Compact Expiration and Termination*) of the Compact is amended and restated to read as follows:

“(b) Each reference in this Compact, the PIA or any other agreement entered into in connection with this Compact, to the Compact’s “expiration” refers to the date on which the

Compact Term ends in accordance with Section 7.4. Each reference in any of the aforementioned documents to the Compact’s “termination” refers to this Compact ceasing to be in force prior to its expiration in accordance with Section 5.1.”

4. Amendment to Section 7.4.

Section 7.4 (*Compact Term*) of the Compact is amended and restated to read as follows:

“Section 7.4 Compact Term. This Compact shall remain in force for five (5) years and six (6) months after its entry into force, unless terminated earlier under Section 5.1 (the “*Compact Term*”).”

5. Amendment to Annex II (Multi-Year Financial Plan Summary).

Exhibit A to Annex II (Multi-Year Financial Plan Summary) to the Compact is deleted in its entirety and replaced by revised Exhibit A set forth in Annex I to this Amendment.

## GENERAL PROVISIONS

1. Entry Into Force of this Amendment.

This Amendment shall enter into force on the date of the last signature of the Parties.

2. Further Assurances.

Each Party hereby covenants and agrees, without necessity of any further consideration, to execute and deliver any and all such further documents and take any and all such other action as may be reasonably necessary or appropriate to carry out the intent and purpose of this Amendment.

3. Effect of this Amendment.

From and after the Amendment enters into force, the Compact and this Amendment shall be read together and construed as one document, and each reference in the Compact to the “Compact,” “hereunder,” “hereof” or words of like import referring to the Compact, and each reference to the “Compact,” “thereunder,” “thereof” or words of like import in any Supplemental Agreement or in any other document or instrument delivered pursuant to the

Compact or any Supplemental Agreement, shall mean and be construed as a reference to the Compact, as amended by this Amendment.

4. Limitations.

Except as expressly amended by this Amendment, all of the provisions of the Compact remain unchanged and in full force and effect.

5. Governing Law.

The Parties acknowledge and agree that this Amendment is an international agreement entered into for the purpose of amending the Compact and as such will be interpreted in a manner consistent with the Compact and is governed by international law.

ANNEX I

REVISED EXHIBIT A TO ANNEX II TO THE COMPACT

MULTI-YEAR FINANCIAL PLAN SUMMARY

	COMPACT CDF PERIOD	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	6-MONTH EXTENSION PERIOD	CLOSEOUT PERIOD	TOTAL COMPACT CDF AND MCC FUNDING	TOTAL GOVERNMENT CONTRIBUTION	TOTAL PROGRAM
1. Modernizing and Strengthening Seneclec's Transmission Network	\$10,800,000	\$46,400,000	\$177,400,000	\$127,400,000	\$13,300,000	\$1,500,000	\$6,776,864	\$0	\$383,576,864	\$26,200,000	\$409,776,864
1.1 Transmission Network Build Out Activity	\$6,500,000	\$20,700,000	\$169,700,000	\$123,800,000	\$7,100,000	\$100,000	\$3,698,584	\$0	\$331,598,584	\$17,900,000	\$349,498,584
1.2 Transformer Replacement Program Activity	\$1,700,000	\$5,400,000	\$7,700,000	\$3,600,000	\$6,200,000	\$1,400,000	\$3,078,280	\$0	\$29,078,280	\$6,200,000	\$35,278,280
1.3 Grid Stabilization Activity	\$2,600,000	\$20,300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$22,900,000	\$2,100,000	\$25,000,000
2. Increasing Access to Electricity in Rural and Peri-Urban Areas	\$1,600,000	\$5,300,000	\$28,800,000	\$17,000,000	\$3,600,000	\$1,000,000	\$3,573,364	\$0	\$60,873,364	\$5,900,000	\$66,773,364
2.1 Supply-Side Activity	\$100,000	\$200,000	\$22,000,000	\$10,600,000	\$100,000	\$0	\$3,573,364	\$0	\$36,573,364	\$1,500,000	\$38,073,364
2.2 Consumer Demand Support Activity	\$1,500,000	\$3,800,000	\$4,100,000	\$2,400,000	\$1,400,000	\$200,000	\$0	\$0	\$13,400,000	\$1,300,000	\$14,700,000
2.3 Distribution Network Reinforcement Activity	\$0	\$1,300,000	\$2,700,000	\$4,000,000	\$2,100,000	\$800,000	\$0	\$0	\$10,900,000	\$3,100,000	\$14,000,000
3. Enabling Environment and Capacity Development Project	\$8,200,000	\$9,300,000	\$14,100,000	\$7,300,000	\$4,400,000	\$200,000	\$80,000	\$0	\$43,580,000	\$3,400,000	\$46,980,000
3.1 Sector Governance Activity	\$1,300,000	\$4,000,000	\$3,800,000	\$2,600,000	\$2,100,000	\$200,000	\$60,000	\$0	\$14,060,000	\$1,700,000	\$15,760,000
3.2 Regulatory Strengthening Activity	\$2,900,000	\$1,900,000	\$4,500,000	\$2,000,000	\$600,000	\$0	\$20,000	\$0	\$11,920,000	\$600,000	\$12,520,000
3.3 Utility Strengthening Activity	\$4,000,000	\$3,400,000	\$5,800,000	\$2,700,000	\$1,700,000	\$0	\$0	\$0	\$17,600,000	\$1,100,000	\$18,700,000
4. Monitoring and Evaluation	\$300,000	\$1,500,000	\$4,500,000	\$2,500,000	\$2,300,000	\$600,000	\$0	\$100,000	\$11,800,000	\$2,600,000	\$14,400,000
5. Program Management	\$16,900,000	\$9,300,000	\$10,100,000	\$9,800,000	\$8,000,000	\$3,400,000	\$5,469,772	\$3,100,000	\$66,069,772	\$11,900,000	\$77,969,772
<b>Total</b>	<b>\$37,800,000</b>	<b>\$71,800,000</b>	<b>\$234,900,000</b>	<b>\$164,000,000</b>	<b>\$31,600,000</b>	<b>\$6,700,000</b>	<b>\$15,900,000</b>	<b>\$3,200,000</b>	<b>\$565,900,000</b>	<b>\$50,000,000</b>	<b>\$615,900,000</b>