

PROGRAM IMPLEMENTATION AGREEMENT

BETWEEN

THE UNITED STATES OF AMERICA,

ACTING THROUGH

THE MILLENNIUM CHALLENGE CORPORATION

AND

BURKINA FASO

ACTING THROUGH

THE MINISTRY OF ECONOMY, FINANCE AND DEVELOPMENT

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1. GENERAL RESPONSIBILITIES OF THE GOVERNMENT	1
Section 1.1 Definitions.....	1
Section 1.2 Role of the Government.....	1
Section 1.3 Role of MCA-Burkina Faso II.....	3
Section 1.4 Taxation	6
ARTICLE 2. IMPLEMENTATION FRAMEWORK	6
Section 2.1 Implementation Plan.....	6
Section 2.2 Fiscal Accountability Plan.....	7
Section 2.3 M&E Plan.....	8
Section 2.4 Environmental and Social Performance Plans.....	8
Section 2.5 Social Inclusion and Gender Integration Plan.....	8
Section 2.6 MCC Program Procurement Guidelines and MCC Approval of Grants.....	9
Section 2.7 Notice to Providers; Incorporation.....	9
Section 2.8 Reports; Notices.....	9
Section 2.9 Transactions Subject to MCC Approval.....	10
Section 2.10 Role of Certain Entities in Implementation.....	12
Section 2.11 Publicity and Transparency.....	13
Section 2.12 Branding and Enforcement.....	14
Section 2.13 Government Contribution.....	15
Section 2.14 Additional Government Covenants.....	15
ARTICLE 3. DISBURSEMENT OF MCC FUNDING	15
Section 3.1 Disbursement Process.....	15
Section 3.2 Conditions Precedent to Disbursement of Compact Facilitation Funding.....	17
Section 3.3 Conditions Precedent to the Initial Disbursement of Program Funding.....	17
Section 3.4 Conditions Precedent to Each Disbursement of Program Funding.....	18
Section 3.5 Authorized Expenditures.....	20
ARTICLE 4. ENTRY INTO FORCE OF THIS AGREEMENT; CONSEQUENCES OF COMPACT TERMINATION, SUSPENSION AND EXPIRATION	20
Section 4.1 Entry into Force of this Agreement.....	20
Section 4.2 Consequences of Compact Termination, Suspension or Expiration.....	20
ARTICLE 5. GENERAL PROVISIONS.....	22
Section 5.1 Representatives.....	22
Section 5.2 Communications.....	22
Section 5.3 Assignments by the Government.....	22
Section 5.4 Amendment; Waivers.....	22

Section 5.5	Attachments.	22
Section 5.6	Inconsistencies.	23
Section 5.7	Termination of this Agreement.	23
Section 5.8	Survival.	23
Section 5.9	Information Provided to MCC.	23
Section 5.10	Governing Law.	23
Section 5.11	Signatures.	23

Schedule 1	Definitions
Schedule 2	Conditions Precedent to Program Funding
Schedule 3	Government Contribution to the Program
Schedule 4	Tax Exemption Mechanisms

PROGRAM IMPLEMENTATION AGREEMENT

PREAMBLE

This PROGRAM IMPLEMENTATION AGREEMENT (this “*Agreement*”) is between the United States of America, acting through the Millennium Challenge Corporation, a United States government corporation (“*MCC*”), and Burkina Faso, acting through the Ministry of Economy, Finance and Development (the “*Government*”) (individually, a “*Party*” and collectively, the “*Parties*”).

Recalling that the Millennium Challenge Compact between the United States of America, acting through MCC, and the Government signed on August 13, 2020 (the “*Compact*”), sets forth the general terms on which MCC shall provide assistance of up to Four Hundred and Fifty Million United States Dollars (US\$450,000,000) (“*MCC Funding*”), and the Government shall provide contributions of at least Fifty Million, One Hundred and Ten Thousand and Seven Hundred and Ninety-Five United States Dollars (US\$50,110,795) (the “*Government Contribution*”), for a program to reduce poverty through economic growth in Burkina Faso;

Recalling that the Government has designated MCA-Burkina Faso II to carry out certain rights and obligations of the Government under the Compact and related agreements; and

Recognizing that the Parties wish to specify further the terms for implementing the Compact and the Program;

The Parties hereby agree as follows:

ARTICLE 1. GENERAL RESPONSIBILITIES OF THE GOVERNMENT

Section 1.1 Definitions.

Capitalized terms used in this Agreement and not defined in this Agreement have the meanings provided in the Compact. All other capitalized terms have the meanings provided in Schedule 1.

Section 1.2 Role of the Government.

(a) Government Responsibilities. The Government shall promptly take all necessary or appropriate actions to carry out all of its obligations under the Compact, this Agreement, and any other Supplemental Agreement (including any post-Compact Term activities, audits or other responsibilities), and to delegate its rights and responsibilities to entities, including MCA-Burkina Faso II, adequate to enable them (each a “*Permitted Designee*”) to oversee and manage the implementation of the Program on behalf of the Government.

(b) Government Undertakings. The Government hereby affirms as follows:

(i) Power; Authorization. The Government has the power and authority to execute, deliver and perform its obligations under this Agreement and under each other agreement, certificate, or instrument contemplated by this Agreement, the Compact, any other Supplemental Agreement or the Program Guidelines. The signatory to this Agreement is duly empowered to act on behalf of and to bind the Government with respect to the obligations contained herein.

(ii) Binding Obligation. This Agreement is a legally binding obligation of the Government.

(iii) Impoundment; Liens or Encumbrances. The Government shall ensure that (A) no Program Assets are subject to any impoundment, rescission, sequestration, liquidation or to any provision of law now or hereafter in effect in Burkina Faso that would have the effect of allowing any such impoundment, rescission, sequestration, or liquidation and (B) no Program Asset is subject to any lien, attachment, enforcement of judgment, pledge, or encumbrance of any kind (each a "**Lien**"), except with MCC's prior written approval. In the event any Lien not so approved is imposed, the Government shall promptly seek the release of such Lien and, if such Lien is required by a final and non-appealable court order, shall pay any amounts due in order to obtain such release; **provided, however**, that the Government shall not use MCC Funding, the Government Contribution, or any Program Assets to satisfy any such obligation.

(iv) Disposal of Program Assets Consisting of Real Property. The Government shall ensure that no Program Asset consisting of real property is: (A) subject to any lease or sub-lease arrangement, in whole or in part; or (B) sold, donated or otherwise disposed of, in whole or in part; except, in each of the foregoing cases, with MCC's prior written approval. In addition, any Program Asset consisting of real property that is retained by MCA-Burkina Faso II after the expiration or termination of the Compact, and that was acquired, obtained, or purchased with MCC Funding, shall be subject to MCC's reversionary interest for a period of five years commencing on the last day of the Closure Period, subject to the terms of the Program Closure Guidelines; and, if at any time during that five-year period, the Government wishes to sell the real property or use it for a purpose that is not related to the Program or does not continue to further the Program objectives, the Government shall compensate MCC for its interest in the real property by paying to MCC an amount equal to the fair market value of MCC's reversionary interest in the real property determined at such time.

(v) Environmental and Social Performance. Unless MCC and the Government agree otherwise in writing, the Government shall ensure that all Projects and Activities undertaken, funded or otherwise supported in whole or in part (directly or indirectly) by MCC Funding under the Compact comply with the MCC Environmental Guidelines, including the environmental and social performance standards set forth in the *Performance Standards on Environmental and Social Sustainability of the International Finance Corporation* (as in effect from time to time, the "**IFC Performance Standards**") that have been incorporated by reference into the MCC Environmental Guidelines. The Government shall also ensure that

the Projects and Activities comply with all national environmental laws and regulations, licenses and permits, except to the extent such compliance would be inconsistent with the Compact. Where there is a difference between national environmental laws and regulations and the standards required by the Compact, the Government shall ensure that the stricter standard is followed provided it remains in compliance with the Compact. Unless MCC agrees otherwise in writing, the Government shall fund all necessary costs of environmental and social mitigation measures (including, without limitation, costs of resettlement) not specifically provided for, or that exceed the amount of MCC Funding or the Government Contribution specifically allocated for such costs, in the Detailed Financial Plan for any Project or Activity.

(vi) Gender and Social Inclusion. Unless MCC and the Government agree otherwise in writing, the Government shall ensure that all Projects and Activities undertaken, funded, or otherwise supported in whole or in part (directly or indirectly) by MCC Funding comply with the MCC Gender Policy, MCC Gender Integration Guidelines and MCC's Counter-Trafficking in Persons Policy, all of which are made available on the MCC Website. The Government shall also ensure that the Projects and Activities comply with all national laws, regulations, and policies related to gender and social inclusion, including Burkina Faso's National Gender Policy, except to the extent such compliance would be inconsistent with the Compact. Where there is a difference between such national laws, regulations, or policies and the standards required by the Compact, the MCC Gender Policy, the MCC Gender Integration Guidelines, and/or MCC's Counter-Trafficking in Persons Policy, the Government shall ensure that the stricter standard is followed provided it remains in compliance with the Compact.

Section 1.3 Role of MCA-Burkina Faso II.

(a) Designation of MCA-Burkina Faso II

(i) Pursuant to Section 3.2(b) of the Compact, the Government shall designate MCA-Burkina Faso II as the primary agent of the Government to implement the Program and to exercise and perform the Government's right and responsibility to oversee, manage and implement the Program, including without limitation, managing the implementation of Projects and Activities, allocating resources and managing procurements (the "***Designated Rights and Responsibilities***"). The Government shall remain ultimately responsible for the performance of the Government's obligations under or in relation to the Compact and this Agreement.

(ii) The Government shall ensure that MCA-Burkina Faso II is and remains throughout the Compact Term (and, as applicable pursuant to the Compact Closure Plan, during the Closure Period) duly organized, sufficiently staffed and empowered to exercise the Designated Rights and Responsibilities.

(iii) The "Accountable Entity" referenced in the Program Guidelines shall be deemed to refer to MCA-Burkina Faso II, and all obligations assigned to the "Accountable Entity" in the Program Guidelines shall be obligations of MCA-Burkina Faso II.

(b) Additional Government Undertakings with Respect to MCA-Burkina Faso II. The Government hereby affirms to MCC as follows:

(i) Power and Authorization. MCA-Burkina Faso II has the power and authority to: (A) bind the Government to the full extent of the Designated Rights and Responsibilities; (B) execute and deliver each agreement, certificate, or instrument contemplated by this Agreement, the Compact, any other Supplemental Agreement or the Program Guidelines; and (C) perform its obligations under this and each such other agreement, certificate, or instrument contemplated by this Agreement, the Compact, any other Supplemental Agreement, any Implementation Letter or the Program Guidelines.

(ii) Government Responsibilities. MCA-Burkina Faso II (A) shall carry out the Designated Rights and Responsibilities (including all obligations specified as MCA-Burkina Faso II obligations in the Compact, the CDF Agreement, this Agreement or any other Supplemental Agreement) with due care, efficiency and diligence in conformity with sound technical, financial and management practices, and in conformity with the Compact, the CDF Agreement, this Agreement, any Supplemental Agreement, and the Program Guidelines; (B) except as provided in Section 2.10 or with respect to an Implementing Entity, shall not assign, delegate or otherwise transfer any of the Designated Rights and Responsibilities without the prior written consent of MCC, and (C) shall not undertake any activities, duties or responsibilities other than the Designated Rights and Responsibilities without the prior written consent of MCC.

(iii) Government Representations. MCA-Burkina Faso II shall confirm each representation that it makes on behalf of the Government in any agreement, certificate or instrument delivered by MCA-Burkina Faso II with all necessary Permitted Designees prior to providing such representation to MCC.

(iv) Autonomy. The Government shall ensure that: (A) no decision of MCA-Burkina Faso II is modified, supplemented, unduly influenced or rescinded by any governmental authority, except by a final and non-appealable judicial decision and (B) the authority of MCA-Burkina Faso II shall not be expanded, restricted or otherwise modified, except in accordance with this Agreement and the Compact.

(v) Governance of MCA-Burkina Faso II. MCA-Burkina Faso II shall adopt internal rules and regulations or bylaws (the “**Bylaws**”), and a human resources manual (“**HR Manual**”), in each case, in form and substance satisfactory to MCC, that shall provide the framework for the operations and administration of, and the general terms and conditions for, the employment of all staff of MCA-Burkina Faso II. MCA-Burkina Faso II shall conduct its operations and management in accordance with the Governing Documents (including the Bylaws) and the Governance Guidelines, and unless otherwise agreed with MCC, shall review and update the HR Manual on, at minimum, an annual basis.

(vi) Funded Agreements; General Provisions Annex. MCA-Burkina Faso II shall provide the Fiscal Agent (and MCC if it so requests) a copy of each agreement that is

funded (directly or indirectly) with MCC Funding or the Government Contribution (each a, “**Funded Agreement**”), regardless of whether MCC has approval rights with respect to such agreement. Unless otherwise instructed by MCC, MCA-Burkina Faso II shall include in each Funded Agreement (i) a covenant that the counterparty to such agreement (each a, “**Counterparty**”) shall comply with (A) the General Provisions Annex and (B) any instruction received by such Counterparty from MCC regarding the performance by such Counterparty of the terms of the General Provisions Annex notwithstanding any other instruction given by MCA-Burkina Faso II; and (ii) a right for MCA-Burkina Faso II to terminate such Funded Agreement if such Counterparty fails to comply with the General Provisions Annex or any such instruction of MCC.

(vii) Insurance; Performance Guaranties. MCA-Burkina Faso II shall, to MCC’s satisfaction, cause all Program Assets to be insured (including, without limitation, through self-insurance) and shall arrange such other appropriate insurance to cover against risks or liabilities associated with the operations of the Program, including by requiring Providers to obtain adequate insurance and to post adequate performance bonds or other guaranties. With MCC’s prior consent, MCC Funding may be used to pay the costs of obtaining such insurance. MCA-Burkina Faso II (or, as appropriate and with MCC’s prior approval, another entity) shall be named as the payee on any such insurance and the beneficiary of any such guaranty or bonds. If not already named as the insured party, MCA-Burkina Faso II (and MCC, if it so requests) shall be named as additional insureds on any such insurance. The Government shall promptly notify MCC of the payment of any proceeds from claims paid under such insurance or guaranty, and shall ensure that such proceeds shall be used to replace or repair any lost or damaged Program Assets; **provided, however**, that, at MCC’s election, such proceeds shall be deposited in a Permitted Account as designated by MCA-Burkina Faso II or as otherwise directed by MCC.

(viii) MCA-Burkina Faso II Indemnity. If MCA-Burkina Faso II is held liable under any indemnification or other similar provision of any agreement, then the Government shall pay such indemnity in full on behalf of MCA-Burkina Faso II and shall not use MCC Funding, the Government Contribution, or any Program Assets to satisfy such obligation. In addition, the Government shall indemnify and hold harmless each member of MCA-Burkina Faso II’s Board (including each Observer), each member of any Stakeholder Committee and each of MCA-Burkina Faso II’s Officers and employees from any claim, loss, action, liability, cost, damage or expenses incurred by such person in the performance of its duties on behalf of MCA-Burkina Faso II, **provided, however**, that the Government shall have no obligation to indemnify any such person if and to the extent that any such claims, losses, actions, liabilities, costs, damages or expenses are attributable to the fraud, gross negligence or willful misconduct of such person; and **provided, further**, that the Government shall not use MCC Funding, the Government Contribution, or any Program Assets to satisfy its obligations under this Section 1.3(b)(viii).

(ix) Foreign Personnel and Work Visas. The Government shall:

(a) Arrange for any foreign personnel (either individual consultants or personnel of firms) providing goods, works or services under the Compact along with their family to be provided promptly with any necessary entry or work visas; and any such visas shall be exempt from any fees or costs payable to the Government; and

(b) Provide the foreign personnel (either individual consultants or personnel of firms) providing goods, works or services under the Compact with work permits and such other documents as shall be necessary to enable the foreign personnel to perform services and to remain in Burkina Faso for the duration of the Compact, without the need to exit the country for any period in the interim.

Section 1.4 Taxation

Unless otherwise agreed by MCC in writing, set forth in Schedule 4 are procedures that the Government shall promptly implement to effectuate the relief from Taxes contemplated by Section 2.8 of the Compact.

ARTICLE 2. IMPLEMENTATION FRAMEWORK

Section 2.1 Implementation Plan. The framework for the implementation of the Program shall be further elaborated in a set of plans, reports, and other documents as set forth in this Article 2, in each case in form and substance approved by MCC. This shall consist of: (i) a Work Plan; (ii) a Detailed Financial Plan, (iii) an Audit Plan and (iv) a Procurement Plan (each, an ***“Implementation Plan Document”*** and collectively the ***“Implementation Plan”***), in addition to the other plans, reports, and/or other documents required pursuant to this Article 2. MCA-Burkina Faso II shall submit its proposed Implementation Plan for review and approval by MCC no later than before the initial Disbursement of Program Funding, and thereafter each Implementation Plan Document shall be submitted on such other interval as may be required by the Program Guidelines. In addition, MCA-Burkina Faso II shall submit an updated Implementation Plan or updated Implementation Plan Document during any quarter in which significant changes or modifications are made to a Project, Activity, or to the Program, or when MCA-Burkina Faso II determines that the expected results, targets and milestones for the specified year are not likely to be achieved; ***provided, however,*** that an updated Detailed Financial Plan shall be submitted each quarter in accordance with the Reporting Guidelines. In such instances, MCA-Burkina Faso II shall submit to MCC for approval a proposed revised Implementation Plan or an updated Implementation Plan Document (as applicable) on the same date as the next Periodic Report is due. MCA-Burkina Faso II shall ensure that the implementation of the Program is conducted in accordance with the Implementation Plan and the other plans, reports, and/or other documents required pursuant to this Article 2.

(a) Work Plan. MCA-Burkina Faso II shall develop and implement a work plan, in form and substance satisfactory to MCC, for the overall administration of the Program (the

“*Work Plan*”). In addition, the Government shall develop, adopt, and implement such other work plans relating to the Project and/or Activities as MCC may request from time to time.

(b) Detailed Financial Plan. The Multi-Year Financial Plan Summary for the Program, which is set forth in Annex II to the Compact, shows the estimated annual contribution of MCC Funding, as well as the overall allocation of the Government Contribution, to administer, monitor and evaluate the Program and to implement each Project (the “*Multi-Year Financial Plan*”). Except as MCC agrees otherwise in writing, MCA-Burkina Faso II shall develop and implement for each quarter for the upcoming year and on an annual basis for each year of the remaining years of the Compact (and the Closure Period), a detailed financial plan in accordance with the Reporting Guidelines (each a “*Detailed Financial Plan*”).

(c) Audit Plan. MCA-Burkina Faso II shall develop and implement a plan, in accordance with the Audit Guidelines, for the audit of the expenditures of the entities that are subject to audit pursuant to the Audit Guidelines (the “*Audit Plan*”). The Audit Plan shall be in form and substance satisfactory to MCC and shall be developed no later than 60 days before the end of the first period to be audited, and on, at minimum, an annual basis thereafter (or at such other interval as may be required by MCC).

(d) Procurement Plan. MCA-Burkina Faso II shall prepare periodic procurement plans for acquiring the goods, works, and consultant and non-consultant services needed to implement the Compact (each a “*Procurement Plan*”). Each Procurement Plan shall be prepared and updated in accordance with the MCC Program Procurement Guidelines. In addition, no later than six months after entry into force of the Compact, MCA-Burkina Faso II shall develop and implement a bid challenge system (“*BCS*”) that provides suppliers, contractors and consultants that are interested parties the ability to seek review of procurement actions and decisions. The organization, rules and procedures of such BCS shall be subject to MCC approval. Upon MCC’s approval of the BCS, MCA-Burkina Faso II shall publish the BCS on the MCA-Burkina Faso II website.

Section 2.2 Fiscal Accountability Plan. Except as MCC agrees otherwise in writing, MCA-Burkina Faso II shall develop and implement a manual (as approved by MCC) setting forth the principles, mechanisms and procedures (the “*Fiscal Accountability Plan*”) that MCA-Burkina Faso II shall use to ensure appropriate fiscal accountability for the use of Compact CFF, MCC Funding, and the Government Contribution, including the process to ensure that open, fair, and competitive procedures shall be used in a transparent manner in the administration of grants or cooperative agreements and in the procurement of goods, works and services. The Fiscal Accountability Plan shall also include, among other things, requirements with respect to (a) budgeting, (b) accounting, (c) cash management, (d) financial transactions (receipts and payments), (e) opening and managing Permitted Accounts, (f) personnel, human resource, and payroll management; (g) travel and vehicle use, (h) asset and inventory control, (i) audits and (j) reporting. The Fiscal Accountability Plan shall be revised periodically, subject to review and approval by MCC.

Section 2.3 M&E Plan. Unless MCC agrees otherwise in writing, no later than 90 days after the Compact enters into force as provided in Article 7 of the Compact, MCA-Burkina Faso II shall develop and implement an M&E Plan that shall serve as the primary governing document for monitoring and evaluation activities for the Program over the Compact Term. The M&E Plan shall be developed, implemented and updated in accordance with the MCC *Policy for Monitoring and Evaluation of Compacts and Threshold Programs*.

Section 2.4 Environmental and Social Performance Plans. In accordance with Section 1.2(b)(v), MCA-Burkina Faso II shall ensure that activities undertaken, funded or otherwise supported in whole or in part (directly or indirectly) by MCC Funding or the Government Contribution comply with the MCC Environmental Guidelines, including the IFC Performance Standards that are incorporated by reference therein. Specifically, MCA-Burkina Faso II shall: (i) develop, adopt and implement an Environmental and Social Management System (“*ESMS*”) for the Program; (ii) cooperate with or complete, as the case may be, any necessary studies or plans including but not limited to ongoing environmental and social impact assessments, and if necessary, undertake and complete any additional environmental and social assessments and analyses, such as environmental and social management plans, environmental and social audits, resettlement policy frameworks, resettlement action plans, and/or any other studies, plans or assessments as may be required under the laws of Burkina Faso, the MCC Environmental Guidelines, this Agreement, the Compact, any other Supplemental Agreement or the Program Guidelines, or as otherwise required by MCC, each in form and substance satisfactory to MCC; (iii) ensure that Project or Activity-specific environmental and social management plans are developed and all relevant measures contained in such plans are integrated into project design, the applicable procurement documents and associated finalized contracts, in each case, in form and substance satisfactory to MCC; and (iv) implement to MCC’s satisfaction appropriate environmental and social mitigation measures identified in such assessments or plans or developed to address environmental and social issues identified during Compact implementation.

Section 2.5 Social Inclusion and Gender Integration Plan. To ensure social inclusion and gender integration across the Projects and Activities, address any issues related to trafficking in persons (“*TIP*”), and ensure compliance with the MCC Gender Policy, the MCC Gender Integration Guidelines and any national laws, regulations, and policies related to gender and social inclusion, including Burkina Faso’s National Gender Policy, , MCA-Burkina Faso shall develop a comprehensive social and gender integration plan (“*Social and Gender Integration Plan*”) that, at a minimum, (i) identifies approaches for regular, meaningful and inclusive consultations with women and other vulnerable and/or underrepresented groups; (ii) sets forth strategies for consolidating the findings and recommendations of Project-specific social and gender analyses into final Project designs; and specifies actions to be taken during the Compact Term to meet the social inclusion and gender equality objectives for the Projects; and (iii) ensures, through monitoring and coordination during Compact implementation, that final Activity designs, construction tender documents and implementation plans are consistent with and incorporate the outcomes of the social and gender analyses. MCA-Burkina Faso II shall, on an annual basis, review and update the Social and Gender Integration Plan as needed to reflect lessons learned and Project-specific analysis.

Section 2.6 MCC Program Procurement Guidelines and MCC Approval of Grants. In accordance with Section 3.6 of the Compact:

(a) MCA-Burkina Faso II shall comply with the MCC Program Procurement Guidelines in the procurement (including solicitation) of all goods, works and services and the award and administration of contracts in furtherance of the Compact. In addition, the Government shall ensure that any bid challenges are conducted in accordance with the MCC Program Procurement Guidelines and the BCS; and

(b) Unless MCC otherwise consents in writing, MCA-Burkina Faso II shall ensure that grants awarded to any non-Government entity in furtherance of the Program are awarded and administered pursuant to an open, fair and competitive procedure administered in a transparent manner.

Section 2.7 Notice to Providers; Incorporation. MCA-Burkina Faso II shall notify all Providers (and all other entities or individuals receiving MCC Funding or the Government Contribution in connection with the Program) of the requirements of Sections 2.7 of the Compact and paragraphs (b), (c), and (d) of Section 3.8 of the Compact, and shall ensure the inclusion of such requirements in all agreements with a Provider if MCC is not a party to such agreements.

Section 2.8 Reports; Notices.

(a) Unless MCC agrees otherwise in writing, MCA-Burkina Faso II shall periodically provide to MCC, in form and substance satisfactory to MCC, the reports and information required by the Reporting Guidelines (each, a “*Periodic Report*”). MCA-Burkina Faso II shall provide the Periodic Reports to MCC on the schedule specified in the Reporting Guidelines, and the Periodic Reports shall be consistent with the Reporting Guidelines in all respects.

(b) MCA-Burkina Faso II shall furnish, or use its best efforts to furnish, to MCC an audit report in a form satisfactory to the Inspector General for each audit required under the Compact, other than audits arranged for by MCC, no later than 90 days after the end of the period under audit, or such other time as may be agreed by MCC from time to time.

(c) If at any time during the Compact Term the Government materially reallocates or reduces the allocation in its national budget (or any other governmental authority of Burkina Faso at a departmental, municipal, regional or other jurisdictional level materially reallocates or reduces the allocation in its budget), of the normal and expected resources that the Government (or such governmental authority, as applicable) would have otherwise received or budgeted, from external or domestic sources, or fails to timely distribute an allocation budgeted for the activities contemplated under the Compact or the Program, the Government, acting through, MCA-Burkina Faso must notify MCC in writing within 30 days of such reallocation, reduction, or failure to distribute, such notification to contain information regarding the amount of the reallocation, reduction, or failure to distribute, the affected activities, and an explanation for the reallocation or reduction.

(d) In addition to the Periodic Reports, MCA-Burkina Faso II shall provide to MCC within 10 days of a written request by MCC, or as otherwise agreed by MCC and MCA-Burkina Faso II in writing, such other reports, documents or information as MCC may request from time to time related to the Program or necessary for implementing, monitoring or evaluating the Program, including any component of the Implementation Plan, the Fiscal Accountability Plan, the Program Guidelines or any Disbursement.

(e) MCA-Burkina Faso II shall submit the Periodic Reports and any other reports required hereunder electronically if requested by MCC or otherwise required by the Reporting Guidelines.

(f) MCA-Burkina Faso II shall furnish MCC with a report, in form and substance satisfactory to MCC, within 90 days after the end of each year of the Compact Term (each an “**Implementation Year**”) regarding the Government Contribution towards the objectives of the Program required by Section 2.6(a) of the Compact. The report shall cover the Implementation Year just ended and the projected contributions for the current Implementation Year. This report shall be provided to MCC on a schedule concurrent with the audit schedule for all Disbursements of MCC Funding and the Government Contribution, as further specified in Section 3.8(a) of the Compact.

Section 2.9 Transactions Subject to MCC Approval. Each of the following transactions, activities, agreements, and documents requires MCC’s prior written approval:

- (a) Disbursements;
- (b) the Implementation Plan (including each element or component thereof), the Fiscal Accountability Plan, the M&E Plan, the Social and Gender Integration Plan, and the ESMS, and any modification of any of the foregoing;
- (c) agreements between the Government and MCA-Burkina Faso II, and agreements in which any of the following are appointed, hired or otherwise engaged (each, a “**Material Agreement**”):
 - (i) Auditor or Reviewer;
 - (ii) Fiscal Agent;
 - (iii) Procurement Agent;
 - (iv) Bank;
 - (v) Implementing Entity;
 - (vi) Outside Project Manager;
 - (vii) a member of the Board (including any Observer) (including agreements

regarding compensation for any such person); and

(viii) any Key Staff of MCA-Burkina Faso II (including agreements regarding compensation for any such person);

(d) any modification, termination or suspension of a Material Agreement, or any action that would have equivalent effect;

(e) any agreement or transaction of MCA-Burkina Faso that is not arm's-length;

(f) any pledge of any MCC Funding, the Government Contribution, or any Program Assets, or any incurrence of material indebtedness, or any guarantee, directly or indirectly of any indebtedness;

(g) any decree, legislation, regulation, charter, contractual arrangement or other document establishing or governing (other than public laws of general application to all public institutions), or relating to the formation, organization or governance of, MCA-Burkina Faso (including the Bylaws, HR Manual and any staffing plan) (each, a "**Governing Document**");

(h) any disposition, in whole or in part, liquidation, dissolution, winding up, reorganization or other change of MCA-Burkina Faso;

(i) any change in character or location of any Permitted Account;

(j) (A) any change of any member of the Board (including any Observer), of the member serving as the chairperson or in the composition or size of the Board, and the filling of any vacant seat of any member of the Board (including any Observer); (B) any change of any officer of MCA-Burkina Faso or in the composition or size of its management unit, and the filling of any vacant position of any Key Staff of MCA-Burkina Faso II (including any process related to the recruitment, selection, dismissal, or termination of any such Key Staff); and (C) any material change in the composition or size of any Stakeholder Committee;

(k) any decision by MCA-Burkina Faso to engage, accept or manage any funds in addition to MCC Funding and the Government Contribution (including from the Government or any donor agencies or organizations) during the Compact Term, or to engage in any activities or undertake any duties or responsibilities other than the Designated Rights and Responsibilities;

(l) any agreement, transaction, decision or other action or document for which MCC approval is required under any of the Program Guidelines; and

(m) any amendment, supplement, replacement, termination, revocation or other change to any of the foregoing documents or arrangements.

Section 2.10 Role of Certain Entities in Implementation.

(a) Outside Project Manager. MCA-Burkina Faso II may engage qualified persons or entities to serve as outside project managers (each, an “**Outside Project Manager**”) in the event that it is advisable to do so for the proper and efficient day-to-day management of a Project or Activity; **provided, however,** that, if so required by the MCC Program Procurement Guidelines, the appointment or engagement of any Outside Project Manager shall be made using a competitive selection process and, if required by the MCC Program Procurement Guidelines, shall be subject to approval by the Board and by MCC prior to such appointment or engagement. Upon such approval, MCA-Burkina Faso II may delegate, assign, or contract to the Outside Project Managers such duties and responsibilities as it deems appropriate with respect to the management of the Implementing Entities and the implementation of the specific Projects or Activities; and **provided, further,** that MCA-Burkina Faso II shall remain accountable for those duties and responsibilities and all reports delivered by the Outside Project Manager notwithstanding any such delegation, assignment or contract and the Outside Project Manager shall be subject to the oversight of MCA-Burkina Faso II, the Fiscal Agent and Procurement Agent. The Board may determine that it is advisable to engage one or more Outside Project Managers and instruct MCA-Burkina Faso II and, where appropriate, the Procurement Agent to commence and conduct the competitive selection process for such Outside Project Manager.

(b) Fiscal Agent. MCA-Burkina Faso II shall engage a Fiscal Agent, who shall be responsible for, among other things, (i) ensuring and certifying that Disbursements are properly authorized and documented in accordance with established control procedures set forth in the Fiscal Agent Agreement and the Bank Agreement, (ii) instructing the Bank to make Disbursements from a Permitted Account or requesting Disbursement be made directly to a provider as payment for goods, works or services in accordance with the Common Payment System or any alternate payment system approved by MCC, as the case may be, and in each case following applicable certification by the Fiscal Agent, (iii) providing applicable certifications for Disbursement Requests, (iv) maintaining proper accounting of all MCC Funding and the Government Contribution financial transactions, and (v) producing reports on Disbursements in accordance with established procedures set forth in the Fiscal Agent Agreement or the Bank Agreement. MCA-Burkina Faso II shall enter into an agreement with the Fiscal Agent, in form and substance satisfactory to MCC, which sets forth the roles and responsibilities of the Fiscal Agent and other appropriate terms and conditions (the “**Fiscal Agent Agreement**”). Unless MCC agrees otherwise in writing, the Fiscal Agent shall be a third party, independent of the Government.

(c) Auditors and Reviewers. MCA-Burkina Faso II shall engage one or more auditors as contemplated in the Audit Guidelines (each, an “**Auditor**”). As requested by MCC in writing from time to time, MCA-Burkina Faso II shall also engage one or more independent: (i) reviewers to conduct reviews of performance and compliance under the Compact, which reviewers shall have the capacity to (1) conduct general reviews of performance or compliance, (2) conduct audits of environmental and social performance, and (3) conduct data quality assessments in accordance with the M&E Plan, as described more fully in Annex III to the

Compact; and/or (ii) evaluators to assess performance as required under the M&E Plan (each, a “**Reviewer**”). MCA-Burkina Faso II shall select the Auditor(s) and/or Reviewer(s) in accordance with the Audit Guidelines and the M&E Plan, as applicable. MCA-Burkina Faso II shall enter into an agreement with each Auditor or Reviewer, in form and substance acceptable to MCC, that sets forth the roles and responsibilities of the Auditor or Reviewer with respect to the audit, review or evaluation, including access rights, required form and content of the applicable audit, review or evaluation and other appropriate terms and conditions (the “**Auditor / Reviewer Agreement**”).

(d) Procurement Agent. MCA-Burkina Faso II shall engage a Procurement Agent to carry out and/or certify specified procurement activities in furtherance of the Compact and this Agreement. MCA-Burkina Faso II shall enter into an agreement with the Procurement Agent, in form and substance satisfactory to MCC, which sets forth the roles and responsibilities of the Procurement Agent with respect to the conduct, monitoring and review of procurements and other appropriate terms and conditions (the “**Procurement Agent Agreement**”). Unless MCC agrees otherwise in writing, the Procurement Agent shall be a third party, independent of the Government.

Section 2.11 Publicity and Transparency.

(a) Subject to Section 2.12, MCA-Burkina Faso II shall give appropriate publicity to the Compact as a program to which the United States, through MCC, has contributed, including by identifying Program Activity sites, and marking Program Assets, all in accordance with MCC’s *Standards for Global Marking*. Upon the termination or expiration of the Compact, the Government, upon MCC’s request, shall cause the removal of any such references and markings on any website operated by MCA-Burkina II (“**MCA-Burkina Faso II Website**”) or in any Government or MCA-Burkina Faso publicity materials.

(b) MCA-Burkina Faso II shall make information concerning implementation of the Compact publicly available, including by posting the following documents in English (unless MCC agrees otherwise in writing), on the MCA-Burkina Faso II Website, all to the extent contemplated by and in accordance with the Governance Guidelines: (i) Compact, (ii) this Agreement, (iii) minutes of the meetings of the Board, and minutes of the meetings of the Stakeholders Committees as they relate to MCA-Burkina Faso II; (iv) the M&E Plan, along with periodic reports and final evaluations on Program performance; (v) all environmental and social impact assessments and resettlement action plans for the Projects and supporting documents; (vi) all social and gender assessments and the Social and Gender Integration Plan; (vii) all audit reports by an Auditor and any periodic reports or evaluations by a Reviewer; (viii) all Disbursement Requests; (ix) all reports required to be submitted to MCC under the terms of this Agreement (including the reports required under Section 2.8(a)); (x) all procurement policies and procedures (including standard documents, procurement plans, contracts awarded and the BCS) and any other procurement documents required to be made publicly available under the MCC Program Procurement Guidelines; (xi) a copy of any legislation or other documents related to the formation, organization or governance of MCA-Burkina Faso II (except to the extent classified),

including the Governing Documents and any amendments thereto; and (xii) such other materials as MCC may request; **provided, however**, that any press release or announcement regarding MCC or the fact that MCC is funding the Program or any other publicity materials referencing MCC shall be subject to MCC's prior approval and must be consistent with any instructions provided by MCC in relevant Implementation Letters.

(c) Notwithstanding Section 2.11(b), information relating to procurements prior to the award of a contract and confidential information relating to MCA-Burkina Faso II' agreements with employees, contractors and consultants shall be excluded from the information and documents made publicly available; **provided, however**, that MCC and MCA-Burkina Faso II agree to mutually determine whether any information to be excluded is confidential.

Section 2.12 Branding and Enforcement.

(a) Subject to Section 4.2(g), MCC hereby grants MCA-Burkina Faso II a revocable, royalty-free, fully paid and non-exclusive right and license to use MCC's logo and the names "Millennium Challenge Corporation," "Millennium Challenge Account" and "MCC," in each case, solely in accordance with the MCC *Standards for Global Marking*. Any such use of the logo and names shall be solely for the benefit of MCC, and not inure to the benefit of MCA-Burkina Faso II. The use of MCC's logo and names shall not create any agency or legal representation, and MCA-Burkina Faso II has no authority to bind MCC in any way.

(b) MCA-Burkina Faso II shall create its own logo, and use such logo as well as the names "Millennium Challenge Account-Burkina Faso II," "MCA-Burkina Faso II" and "MCA-BF2" in each case, solely in accordance with the MCC *Standards for Global Marking*. Subject to Section 4.2(g), MCA-Burkina Faso II hereby grants MCC an irrevocable, royalty-free, fully paid and non-exclusive right and license to use the names "Millennium Challenge Account-Burkina Faso II," "MCA-Burkina Faso II" and "MCA-BF2," and MCA-Burkina Faso II's logo.

(c) MCA-Burkina Faso II shall take all reasonable steps to ensure that the names "Millennium Challenge Account-Burkina Faso II," "MCA-Burkina Faso II," and "MCA-BF2" as well as its own logo, shall enjoy maximum protection under the laws now or hereafter in effect in Burkina Faso throughout the term of this Agreement. This includes the registration of the names and the logo as a trademark, if appropriate, the monitoring of unauthorized use by third parties, and, in case of detection of unauthorized use, the enforcement of such rights. MCA-Burkina Faso II shall inform MCC as soon as practicable if it becomes aware of any infringement, threat of infringement, or any other use by a third party that has not been authorized by MCC of any of (i) the names "Millennium Challenge Account-Burkina Faso II," "MCA-Burkina Faso II," "MCA-BF2" and/or MCA-Burkina Faso II's logo; or (ii) the names "Millennium Challenge Corporation," "MCC" and/or MCC's logo. MCA-Burkina Faso II shall provide MCC assistance to enforce MCC's rights to the names "Millennium Challenge Corporation" and "MCC," as well as to MCC's logo.

Section 2.13 Government Contribution.

(a) In accordance with Section 2.6(a) of the Compact, the Government shall make a Government Contribution toward meeting the Project Objectives. Such contribution shall be in addition to the Government's spending allocated toward such objectives in its budget for the years immediately preceding the year that the Compact enters into force, and shall comply with the provisions of MCC's *Guidelines for Country Contributions*. Schedule 3 to this Agreement sets forth the budget allocation of the Government Contribution to the Projects and Program Administration over the Compact Term.

(b) Unless otherwise agreed by the Parties in writing, contributions denominated in the local currency of Burkina Faso or other foreign currency shall be recorded and converted to U.S. dollars at the exchange rate on the date the contribution payment is made or using an average rate over the period of contribution, in each case, using the exchange rates published by the Central Bank of West African States or such other source acceptable to MCC.

(c) Consistent with Section 3.5 of the Compact, the Parties shall agree to the principles and procedures for managing the Government Contribution in a separate Implementation Letter, and shall adhere to the principles and procedures specified in said letter.

Section 2.14 Additional Government Covenants.

(a) Covenant Regarding Annual Sector Reviews. Prior to the end of the third quarter of each Implementation Year, the Government shall publish a review, conducted by ARSE, of the performance of SONABEL against key performance indicators defined in the performance contract between the Government and SONABEL.

(b) Covenant Regarding Continued Compliance with Plans. Upon adoption by the Government and satisfaction of the applicable conditions precedent set forth in Annex V to the Compact, the Government shall ensure continued compliance with the Sector Financial Plan and the Tariff Reform Plan.

(c) Covenant Regarding Tariff Adjustments. Consistent with the Tariff Reform Plan, the Government shall ensure that electricity tariffs are automatically adjusted to reflect external factors (including without limitation foreign exchange rate, inflation, and fuel price) on at least an annual basis.

ARTICLE 3. DISBURSEMENT OF MCC FUNDING

Section 3.1 Disbursement Process.

(a) Disbursement Requests. MCA-Burkina Faso II may request Disbursements to be made under the Compact by submitting a request in accordance with the Reporting Guidelines (each a "*Disbursement Request*"), duly completed, to MCC not later than 20 days (or such other

period of time as may be agreed by MCC) prior to the commencement of each Disbursement Period. Requests for Disbursement of Program Funding and Compact Facilitation Funding for any Disbursement Period shall be made by separate Disbursement Requests using the applicable form. Except as otherwise permitted by the Reporting Guidelines, MCA-Burkina Faso II may submit only one Disbursement Request for Program Funding, and one Disbursement Request for Compact Facilitation Funding, for each quarter (such quarter, or any other period of time as agreed by MCC, the “**Disbursement Period**”). Each Disbursement Request submitted must be accompanied by the Periodic Reports covering the corresponding Disbursement Period.

(b) Approval of Disbursement Requests; Release of Proceeds.

(i) Upon receipt of a Disbursement Request, MCC shall determine the appropriate amount of the Disbursement to be authorized based on, among other things, (A) the progress achieved under the Implementation Plan or any other plan, report, or other document required pursuant to Article II, (B) the amount of funds required to complete the activities described in the accompanying Periodic Reports during the corresponding Disbursement Period and (C) the satisfaction, waiver or deferral of applicable conditions to such Disbursement. MCC may, in its sole discretion, disapprove any Disbursement completely or reduce the amount of any Disbursement below that proposed in a Disbursement Request based on its determination of any of the factors set forth in this Section 3.1(b)(i).

(ii) Upon MCC’s approval of a Disbursement Request, the proceeds of the Disbursement may be transferred, at MCC’s sole election: (A) to a Permitted Account; or (B) directly to a third-party as payment for goods, works or services received by MCA-Burkina Faso II in accordance with the Common Payment System or any alternate payment system approved by MCC; or (C) directly to an employee of MCA-Burkina Faso II (or to the Government, as reimbursement for authorized expenses of MCA-Burkina Faso II) **provided however**, that expenditures of such proceeds (including amounts transferred directly to a provider) are authorized by MCA-Burkina Faso II, and the related payment complies, as certified by the Fiscal Agent, with the most recently approved Detailed Financial Plan and the standards and procedures set forth in the Fiscal Agent Agreement and the Fiscal Accountability Plan.

(c) Permitted Accounts.

(i) Any MCC Funding to be disbursed to a bank account must be deposited in in one or more accounts established and maintained by MCA-Burkina Faso II in both the local currency of Burkina Faso and United States Dollars (each an “**MCC-Funded Account**”), such MCC-Funded Accounts, and each other such account, a Permitted Account, to be established at a financial institution acceptable to MCC to be interest-bearing to the extent practicable. In addition, MCC, the Government and MCA-Burkina Faso II shall mutually agree in writing to the establishment of one or more Permitted Accounts for the deposit of the Government Contribution (each, a “**Government Account**”). Additional Permitted Accounts may be established from time to time subject to the mutual agreement of MCA-Burkina Faso II, the Government and MCC. MCA-Burkina Faso II shall notify MCC promptly if any account

information for a Permitted Account changes during the Compact Term and provide MCC with the updated information.

(ii) Unless otherwise authorized by MCC in writing, no funds shall be commingled in the Permitted Accounts set up to receive MCC Funding other than MCC Funding and accrued interest and earnings thereon. The Government Contribution shall be kept in a Government Account and no other funds shall be commingled in such Permitted Account (or accounts, as applicable) other than the Government Contribution and any interest thereon. MCC shall have the right, among other things, to view any Permitted Account statements and activity directly on-line, and where such viewing is not feasible, MCA-Burkina Faso II shall provide copies of such statements to MCC upon its request. Before any MCC Funding or Government Contribution is deposited into a Permitted Account, MCA-Burkina Faso II shall enter into an agreement, in form and substance satisfactory to MCC, with the financial institution approved by MCC to hold such Permitted Account (the “*Bank*”) that sets forth the signatory authority, access rights, anti-money laundering and anti-terrorist financing provisions, and other terms related to such Permitted Account (the “*Bank Agreement*”). The Fiscal Agent, and in certain specified cases in the Bank Agreement, designated representatives of MCC, shall be the sole signatories on each Permitted Account.

(iii) MCC Funding or Government Contribution held in a separate Permitted Account shall accrue interest or other earnings in accordance with the relevant Bank Agreement. On a quarterly basis and upon the termination or expiration of the Compact or the Bank Agreement, MCA-Burkina Faso II shall ensure the transfer of all accrued interest to MCC Funding to MCC. Accrued interest on the Government Contribution held in a Permitted Account shall be transferred to the Government according to instructions agreed upon between the Bank and the Government.

(iv) Unless MCC agrees otherwise in writing, if MCC Funding is held in any Permitted Account other than the Local Account, MCA-Burkina Faso II shall ensure that such MCC Funding shall be denominated in the currency of the United States of America prior to its expenditure or transfer to the Local Account. To the extent that any amount of MCC Funding held in U.S. Dollars must be converted into the currency of Burkina Faso for any purpose, MCA-Burkina Faso II shall ensure that such amount is converted consistent with the requirements of the Bank Agreement or any other applicable Supplemental Agreement.

Section 3.2 Conditions Precedent to Disbursement of Compact Facilitation Funding. Prior to the initial Disbursement of Compact Facilitation Funding or any subsequent Disbursement of Compact Facilitation Funding, the applicable conditions set forth in Annex IV to the Compact must have been met to MCC’s satisfaction.

Section 3.3 Conditions Precedent to the Initial Disbursement of Program Funding. Unless waived or deferred by MCC, the conditions of this Section 3.3 and the conditions set forth in Section 3.4 must be met to MCC’s satisfaction prior to the initial Disbursement of Program Funding:

(a) Entry into Force. The Compact has entered into force as provided in Article 7 of the Compact.

(b) Key Staff. Each of the Key Staff has been selected and engaged by MCA-Burkina Faso II and approved by MCC.

(c) Fiscal Accountability Plan. MCA-Burkina Faso II has developed the Fiscal Accountability Plan (or an interim version), and the plan has been approved by MCC.

(d) Implementation Plan. MCA-Burkina Faso II has developed a complete Implementation Plan.

(e) Governing Documents. The Government must have adopted any documents necessary to create MCA-Burkina Faso II and ensure its valid operation, including, but not limited to, any required laws, decrees or regulations.

(f) HR Manual. MCA-Burkina Faso II has developed and adopted the HR Manual, and the manual has been approved by MCC.

Section 3.4 Conditions Precedent to Each Disbursement of Program Funding. Unless waived or deferred by MCC, the following conditions must have been met to MCC's satisfaction prior to each Disbursement of Program Funding (including the initial Disbursement of Program Funding):

(a) Deliveries. MCA-Burkina Faso II has delivered to MCC the following documents, reports and information in form and substance satisfactory to MCC:

(i) a completed Disbursement Request, together with the Periodic Reports covering the related Disbursement Period;

(ii) copies of any reports from any technical (including environmental) auditors engaged by MCA-Burkina Faso II for any Activity delivered since the previous Disbursement Request;

(iii) a certificate of MCA-Burkina Faso II, dated as of the date of such Disbursement Request, substantially in the form provided by MCC (the "***MCA Disbursement Certificate***");

(iv) a certificate of the Procurement Agent, substantially in the form provided by MCC (the "***Procurement Agent Disbursement Certificate***"); and

(v) a certificate of the Fiscal Agent, substantially in the form provided by MCC (the "***Fiscal Agent Disbursement Certificate***").

- (b) Other Conditions Precedent. MCC has determined in its sole discretion that:
- (i) all applicable conditions precedent in Schedule 2 have been duly satisfied, deferred or waived as provided in this Agreement;
 - (ii) no material default or breach of any covenant, obligation or responsibility by the Government, MCA-Burkina Faso II or any Government entity has occurred and is continuing under the Compact, this Agreement or any other Supplemental Agreement;
 - (iii) the activities to be funded with such Disbursement shall not violate any applicable law or regulation;
 - (iv) the Implementation Plan Documents and Fiscal Accountability Plan are current and updated and are in form and substance satisfactory to MCC, and there has been progress satisfactory to MCC on the components of the Implementation Plan for any relevant Projects or Activities related to such Disbursement;
 - (v) there has been progress satisfactory to MCC on the M&E Plan, the ESMS, and the Social and Gender Integration Plan for the Program, relevant Project or Activity, and substantial compliance with the requirements of the M&E Plan, the ESMS, and the Social and Gender Integration Plan (including the targets set forth therein and any applicable reporting requirements set forth therein for the relevant Disbursement Period);
 - (vi) all Government entities involved in the implementation of the Program, including the Implementing Entities, are coordinating successfully with MCA-Burkina Faso II and dedicating the necessary staff and other resources to ensure successful implementation of the Program;
 - (vii) there has been no material negative finding in any financial audit report delivered in accordance with the Compact and Audit Plan, for the prior two quarters (or such other period as the Audit Plan may require);
 - (viii) any Taxes paid with MCC Funding through the date 90 days prior to the start of the applicable Disbursement Period have been reimbursed by the Government in full in accordance with Section 2.8(c) of the Compact;
 - (ix) the Government has satisfied all of its payment obligations, including any insurance, indemnification, tax payments or other obligations, and contributed all resources required from it, under the Compact, this Agreement and any other Supplemental Agreement;
 - (x) MCC does not have grounds for concluding that any matter certified to it in the related MCA Disbursement Certificate, Procurement Agent Disbursement Certificate or Fiscal Agent Disbursement Certificate is not as certified;

(xi) no act, omission, condition, or event has occurred that would be the basis for MCC to suspend or terminate, in whole or in part, the Compact or MCC Funding in accordance with Section 5.1 of the Compact;

(xii) each of the Key Staff remains engaged, or if a position is vacant, MCA-Burkina Faso II is actively engaged, to MCC's satisfaction, in recruiting a replacement;

(xiii) MCA-Burkina Faso II has complied in all material respects with its obligations set forth in Section 2.1(d) with respect to the establishment of a BCS and its obligations set forth in Section 2.3 with respect to the establishment of an M&E Plan; and

(xiv) The Government has complied in all material respects with its obligations set forth in Section 2.13 with respect to the making of its contributions in accordance with the projected timeline set forth in Schedule 3.

Section 3.5 Authorized Expenditures. Except as MCC agrees otherwise in writing, a Disbursement, or financial commitment involving MCC Funding or the Government Contribution may be made, and a Disbursement Request may be submitted, only if the related expense is provided for in the Detailed Financial Plan and sufficient uncommitted funds exist in the Detailed Financial Plan for the relevant period.

ARTICLE 4.

ENTRY INTO FORCE OF THIS AGREEMENT; CONSEQUENCES OF COMPACT TERMINATION, SUSPENSION AND EXPIRATION

Section 4.1 Entry into Force of this Agreement. This Agreement shall enter into force upon the later of (a) the signing of this Agreement by each of the Parties to this Agreement and (b) the date that the Compact enters into force as provided in Article 7 of the Compact; provided, however, that the Parties agree that upon signature of this Agreement, and until this Agreement enters into force, the Parties shall provisionally apply the terms of this Agreement.

Section 4.2 Consequences of Compact Termination, Suspension or Expiration.

(a) Upon the suspension, in whole or in part, of the Compact or any MCC Funding, all applicable Disbursements shall be suspended, and MCC may request the Government to return any MCC Funding (or portion thereof) on deposit in any Permitted Account; ***provided, however,*** MCC Funding may be used, in compliance with the Compact and this Agreement and with written consent of MCC, to pay for (i) reasonable expenditures for goods, works or services that were properly incurred under or in furtherance of the Program before the suspension of the Compact or any MCC Funding; and (ii) reasonable costs incurred in connection with the suspension of the Compact or any MCC Funding.

(b) Upon the termination, in whole or in part, of the Compact or any MCC Funding, all applicable Disbursements shall cease; ***provided, however,*** MCC Funding may be used, in compliance with the Compact and this Agreement and with written consent of MCC, to pay for

(i) reasonable expenditures for goods, works or services that were properly incurred under or in furtherance of the Program before termination of the Compact or any MCC Funding, and (ii) reasonable expenditures (including administrative expenses) properly incurred in connection with the winding up of the Program (or any part thereof) within 120 days after the termination of the Compact or any MCC Funding.

(c) Upon expiration of the Compact, all Disbursements shall cease; ***provided, however,*** MCC Funding may be used, in compliance with the Compact and this Agreement, to pay for: (i) reasonable expenditures for goods, works or services that were properly incurred under or in furtherance of the Program before expiration of the Compact; and (ii) subject to MCC's *Program Closure Guidelines* and *Cost Principles for Accountable Entity Operations*, reasonable expenditures (including administrative expenses) properly incurred in connection with the winding up of the Program during the Closure Period.

(d) Subject to Sections 4.2(b) and (c), upon the expiration or termination of the Compact or MCC Funding, the Government shall return to MCC any amounts of MCC Funding on deposit in any applicable Permitted Account but not expended before the expiration or termination, plus accrued interest thereon within 30 days after the Government receives MCC's request for such return; ***provided, however,*** that if the Compact is terminated in part, only the amount of MCC Funding allocated to the terminated portion shall be subject to return.

(e) Upon the full or partial termination of the Compact or any MCC Funding, MCC may, at its expense, direct that title to any Program Assets be transferred to MCC if such Program Assets are in a deliverable state, and the Government shall promptly effect such transfer upon such direction; ***provided however,*** that, for any Program Asset not in a deliverable state and any Program Asset partially purchased or funded with MCC Funding, the Government, upon MCC's request, shall reimburse MCC in United States Dollars the cash equivalent of the fair market value of such Program Asset or portion thereof, as such is determined by MCC.

(f) Prior to expiration, or upon termination, of the Compact, MCA-Burkina Faso II shall prepare a plan for the administrative closure and sustainability of the Program, prepared in accordance with the *Program Closure Guidelines* and acceptable to MCC (the "***Compact Closure Plan***"), and comply with the requirements as set forth therein.

(g) No later than 120 days after the expiration or termination of the Compact, unless MCC agrees otherwise in writing, (i) the licenses granted to MCA-Burkina Faso II in Section 2.12(a) shall terminate with immediate effect; (ii) the Government shall ensure that MCA-Burkina Faso II ceases to be named "Millennium Challenge Account-Burkina Faso II" and/or "MCA-Burkina Faso II", and (iii) the Government shall take reasonable steps to ensure that such names and any associated logo, as well as the names "Millennium Challenge Corporation" and "MCC", as well as any logo associated therewith, are no longer used by MCA-Burkina Faso II or any other entity for any purpose not authorized by MCC. Furthermore, upon expiration or termination of the Compact, MCA-Burkina Faso II shall assign and hereby assigns and transfers to MCC all rights, title, and interest to the names "Millennium Challenge Account-Burkina Faso II," "MCA-Burkina Faso II," "Millennium Challenge Corporation," "MCC," as well as MCA-

Burkina Faso II's logo and MCC's logo that it might have acquired during the term of this Agreement.

(h) Without limiting the terms of Section 4.2(f), MCC and the Government recognize that the effects of the Compact shall be long-ranging and its impact on reducing poverty may not be measurable for several years after the Compact ceases to be in force. Accordingly, MCC and the Government agree to cooperatively monitor the results and evaluate the impacts of the Compact on reducing poverty through economic growth in Burkina Faso after the Compact ceases to be in force. As part of this cooperation, prior to expiration, or upon termination, of the Compact and in addition to the actions to be set forth in the Compact Closure Plan, the Parties agree to develop a post-Compact monitoring and evaluation plan that describes the future monitoring and evaluation activities, the individuals and organizations that shall undertake these activities, and a budget framework for future monitoring and evaluation, provided, however, that nothing in this Section 4.2(h) shall be construed as committing MCC to provide any assistance to the Government after the Compact ceases to be in force. The Government shall provide all resources necessary (including both financial and personnel) to fulfill the tasks undertaken by the Government under the post-Compact monitoring and evaluation plan.

ARTICLE 5. GENERAL PROVISIONS

Section 5.1 Representatives. The provisions of Section 4.2 of the Compact are incorporated herein by reference as if fully set forth herein.

Section 5.2 Communications. The provisions of Section 4.1 of the Compact are incorporated herein by reference as if fully set forth herein. Upon establishment of MCA-Burkina Faso II, MCA-Burkina Faso II shall notify the Parties of its contact details.

Section 5.3 Assignments by the Government. The Government may not assign, delegate or contract implementation of its rights or obligations under this Agreement without MCC's prior written consent. The Government agrees, upon request by MCC, to execute an assignment to MCC of any contractual right or cause of action which may accrue to the Government or MCA-Burkina Faso II in connection with or arising out of the contractual performance or breach of performance by a party to a contract financed in whole or in part by MCC Funding.

Section 5.4 Amendment; Waivers. The Parties may amend this Agreement only by a written agreement signed by the Principal Representative of each Party; ***provided, however,*** that the Parties may agree in a writing, signed by the Principal Representative or any Additional Representative of each Party, to modify any schedule hereto without amending this Agreement. Any waiver of a right or obligation arising under this Agreement shall be effective only if provided in writing.

Section 5.5 Attachments. Each exhibit, schedule and annex attached to this Agreement constitutes an integral part of this Agreement.

Section 5.6 Inconsistencies. In the event of any conflict or inconsistency between this Agreement and the Compact, the terms of the Compact shall prevail. In the event of any conflict or inconsistency between this Agreement and any other Supplemental Agreement or any Implementation Plan Document the terms of this Agreement shall prevail.

Section 5.7 Termination of this Agreement.

(a) MCC may terminate this Agreement in whole or in part, without cause by giving the Government thirty days' written notice. This Agreement shall terminate simultaneously with the termination of the Compact by the Government in accordance with Section 5.1(a) of the Compact.

(b) MCC may immediately terminate this Agreement, in whole or in part, by written notice to MCA-Burkina Faso II and the Government, if MCC determines that any event that would be a basis for termination or suspension of the Compact or MCC Funding under Section 5.1(b) of the Compact has occurred.

(c) Unless terminated earlier in accordance with the terms hereof or the Compact, this Agreement shall expire upon the expiration or termination of the Compact; ***provided, however***, that, if MCC determines, consistent with Section 4.2 (b) or (c), that obligations incurred (and previously approved by MCC in a Disbursement Request) prior to the expiration or termination of the Compact remain to be paid, then the provisions of this Agreement shall apply until such date as such obligations are satisfied.

Section 5.8 Survival. Notwithstanding any expiration, suspension or termination of this Agreement, the following provisions of this Agreement shall survive: Sections 1.2(b)(i), 1.2(b)(ii), 2.11, 4.2, 5.1, 5.2, 5.3, 5.8, 5.9 and 5.10.

Section 5.9 Information Provided to MCC. Subject to the protections set forth in the *Policy on Access to MCC Materials*, MCC may use or disclose any information in any Disbursement Request, report or document developed or delivered in connection with the Program: (a) to its employees, contractors, agents and representatives, (b) to any United States inspector general or the United States Government Accountability Office or otherwise for the purpose of satisfying MCC's own reporting requirements, (c) to post on the MCC Website for the purpose of making certain information publicly available and transparent, (d) in connection with publicizing MCC and its programs or (e) in any other manner.

Section 5.10 Governing Law. The Parties acknowledge and agree that this Agreement is an international agreement entered into for the purpose of implementing the Compact and as such shall be interpreted in a manner consistent with the Compact and shall be governed by the principles of international law.

Section 5.11 Signatures. Signatures to this Agreement and to any amendment to this Agreement shall be original signatures appearing on the same page or in an exchange of letters or diplomatic notes. With respect to all documents arising out of this Agreement and amendments

thereto, signatures may be delivered by facsimile or electronic mail and in counterparts and shall be binding on the Party delivering such signature to the same extent as an original signature would be.

Signature Page Follows on the Next Page

IN WITNESS WHEREOF, each Party, through its duly authorized representative, has signed this Program Implementation Agreement.

Done at Washington D.C., this 13th day of August 2020, in duplicate in the English language

FOR THE UNITED STATES OF AMERICA,
acting through the MILLENNIUM
CHALLENGE CORPORATION

FOR BURKINA FASO, acting through the
MINISTRY OF ECONOMY, FINANCE
AND DEVELOPMENT

/s/

/s/

Name: Sean Cairncross
Title: Chief Executive Officer

Name: Seydou Kabore
Title: Ambassador of Burkina Faso to the
United States

**SIGNATURE PAGE TO PROGRAM IMPLEMENTATION AGREEMENT
BETWEEN THE UNITED STATES OF AMERICA
ACTING THROUGH THE MILLENNIUM CHALLENGE CORPORATION
AND BURKINA FASO
ACTING THROUGH THE MINISTRY OF ECONOMY, FINANCE AND DEVELOPMENT**

**SIGNATURE PAGE TO PROGRAM IMPLEMENTATION AGREEMENT
BETWEEN THE UNITED STATES OF AMERICA
ACTING THROUGH THE MILLENNIUM CHALLENGE CORPORATION
AND BURKINA FASO
ACTING THROUGH THE MINISTRY OF ECONOMY, FINANCE AND DEVELOPMENT**

SCHEDULE 1

DEFINITIONS

***Agreement** has the meaning provided in the preamble to this Agreement.*

***Audit Plan** has the meaning provided in Section 2.1(c).*

***Auditor** has the meaning provided in Section 2.10(c).*

***Auditor / Reviewer Agreement** has the meaning provided in Section 2.10(c).*

***Bank** has the meaning provided in Section 3.1(c)(ii).*

***Bank Agreement** has the meaning provided in Section 3.1(c)(ii).*

***BCS** has the meaning provided in Section 2.1(d).*

***Board** means the board of directors of MCA-Burkina Faso II.*

***Bylaws** has the meaning provided in Section 1.3(b)(v).*

***CDF Agreement** has the meaning provided in Section 1.3(b)(ii).*

***Closure Period** means the period beginning the first day after the last date of the Compact Term and ending no later than 120 days thereafter.*

***Common Payment System** means the system pursuant to which payments of MCC Funding are made directly to vendors as further described in the Fiscal Accountability Plan.*

***Compact** has the meaning provided in the first recital to this Agreement.*

***Compact Closure Plan** has the meaning provided in Section 4.2(f).*

***Compact Contract** has the meaning provided in Section 3(a) of Part C of Schedule 4.*

***Counterparty** has the meaning provided in Section 1.3(b)(vi).*

***Designated Rights and Responsibilities** has the meaning provided in Section 1.3(a)(i).*

***Detailed Financial Plan** has the meaning provided in Section 2.1(b).*

***Directeur General des Douanes or DGD** has the meaning provided in Section 9 of Schedule 4.*

***Directeur General des Impots or DGI** has the meaning provided in Section 9 of Schedule 4.*

***Direction Générale de La Coopération or DGCOOP** has the meaning provided in Section 9 of Schedule 4.*

Disbursement Period has the meaning provided in Section 3.1(a).

Disbursement Request has the meaning provided in Section 3.1(a).

Environmental and Social Impact Assessment or ESIA means a process for predicting, identifying, and assessing the potential environmental and social impacts of a proposed business activity or project, evaluating alternatives and designing appropriate mitigation, management and monitoring measures.

Environmental and Social Management Plan or ESMP means a plan or strategy specifying the measures that shall be taken to ensure that social and environmental impacts, risks and liabilities identified during the ESIA process are effectively managed during the construction, operation and closure of the proposed project.

Environmental and Social Management System or ESMS means a set of policies, procedures, tools and internal capacity to identify and manage an institution's exposure to the environmental and social risks of its clients, investees or stakeholders.

Exempt Vendor has the meaning provided in Section 2 of Part C of Schedule 4.

Exempt Works Contractor has the meaning provided in Section 2 of Part F of Schedule 4.

Fiscal Accountability Plan has the meaning provided in Section 2.2.

Fiscal Agent Agreement has the meaning provided in Section 2.10(b).

Fiscal Agent Disbursement Certificate has the meaning provided in Section 3.4(a)(v).

Funded Agreement has the meaning provided in Section 1.3(b)(vi).

General Provisions Annex means the annex titled General Provisions posted from time to time on the MCC Website or otherwise made available to the Government.

Governance Guidelines means the MCC Guidelines for Accountable Entities and Implementation Structures.

Governing Document has the meaning provided in Section 2.9(g).

Government has the meaning provided in the preamble to this Agreement.

HR Manual has the meaning provided in Section 1.3(b)(v).

Government Contribution has the meaning provided in the first recital to this Agreement.

IFC Performance Standards has the meaning provided in Section 1.2(b)(iv).

Implementation Plan has the meaning provided in Section 2.1.

Implementation Plan Document has the meaning provided in Section 2.1.

Implementation Year has the meaning provided in Section 2.8(f).

Key Staff shall mean individuals in the following positions within MCA-Burkina Faso II's management unit: 1) Chief Executive Officer; 2) Deputy Executive Director for Programs; 3) Deputy Executive Director for Operations; 4) General Counsel and Corporate Secretary; 5) Director for the Strengthening Electricity Sector Effectiveness Project; 6) Director for the Cost-Effective and Reliable Energy Project; 7) Director for the Grid Development and Access Project; 8) Director for Environmental and Social Performance; 9) Director for Gender and Social Inclusion; 10) Director for Monitoring and Evaluation and Economic Analysis; 11) Director of Finance; 12) Director of Administration; 13) Director of Procurement; 14) Director of Communications and Public Relations; 15) Human Resources Manager; and such other staff as may be agreed with MCC.

Lien has the meaning provided in Section 1.2(b)(iii).

Local Account has the meaning provided in Section 3.1(c)(i).

Material Agreement has the meaning provided in Section 2.9(c).

MCC has the meaning provided in the preamble to this Agreement.

MCC-Funded Account has the meaning provided in Section 3.1(c)(i).

Multi-Year Financial Plan has the meaning provided in Section 2.1(b).

Observer has the meaning provided in the Governance Guidelines.

Outside Project Manager has the meaning provided in Section 2.10(a).

Party and **Parties** have the meaning provided in the preamble to this Agreement.

Periodic Report has the meaning provided in Section 2.8(a).

Permitted Designee has the meaning provided in Section 1.2(a).

Procurement Agent Agreement has the meaning provided in Section 2.10(d).

Procurement Agent Disbursement Certificate has the meaning provided in Section 3.4(a)(iv).

Procurement Plan has the meaning provided in Section 2.1(d).

Reviewer has the meaning provided in Section 2.10(c).

Social and Gender Integration Plan has the meaning provided in Section 2.5.

TIP has the meaning provided in Section 2.5.

Work Plan has the meaning provided in Section 2.1(a).

SCHEDULE 2

CONDITIONS PRECEDENT TO PROGRAM FUNDING

All documentation and evidence submitted in connection with the below-listed conditions precedent must be satisfactory, in form and substance, to MCC.

PART A. Conditions Precedent for All Projects.

(i) Prior to the initial Disbursement of Program Funding that occurs on or after 90 days following the Compact's entry into force, MCA-Burkina Faso II shall have developed and approved a comprehensive M&E Plan, in form and substance satisfactory to MCC.

(ii) Prior to the second Disbursement of Program Funding, MCA-Burkina Faso II must develop and approve a comprehensive Social and Gender Integration Plan, in form and substance satisfactory to MCC.

(iii) Prior to the initial Disbursement of Program Funding, MCA-Burkina Faso II must have developed and adopted an environmental and social management system ("**ESMS**") and a Resettlement Policy Framework ("**RPF**"), in accordance with MCC's Environmental Guidelines and in form and substance satisfactory to MCC. MCA-Burkina Faso II shall maintain compliance with, and implement, the ESMS and apply the RPF throughout the life of the Compact.

(iv) Prior to the initial Disbursement of Program Funding that includes any payment under a particular works or construction contract for a given Project or Activity, MCA-Burkina Faso II must submit evidence that MCA-Burkina Faso II, or the appropriate Government entity, has developed and adopted an Environmental and Social Impact Assessment ("**ESIA**"), an Environmental and Social Management Plan ("**ESMP**"), Health and Safety Management Plan ("**HSMP**"), Resettlement Action Plan ("**RAP**"), and/or a Livelihood Restoration Plans ("**LRPs**"), including projected compensation for all relevant project affected persons with respect to such Project or Activity, each of which must be in form and substance satisfactory to MCC.

(v) Prior to each Disbursement of Program Funding that includes a payment under a particular works or construction contract for a given Project or Activity, MCA-Burkina Faso II must submit evidence that MCA-Burkina Faso II or the appropriate Government entity, is implementing the requirements of each ESIA, ESMP, HSMP, or RAP and/or LRPs, as appropriate, in all material respects and consistent with the MCC Environmental Guidelines (including the IFC Performance Standards that are incorporated by reference therein).

(vi) Prior to the initial Disbursement of Program Funding that includes a payment under any works or construction contract, the Government must submit evidence that SONABEL has developed and adopted an internal ESMS and RPF in form and substance satisfactory to MCC, which shall include a needs assessment of any additional staff and resources SONABEL must provide to safely manage risks and opportunities related to environmental, social, health and safety issues. SONABEL shall maintain compliance with, and implement, the ESMS and apply the RPF throughout the Compact Term.

(vii) Prior to any Disbursement of Program Funding on or after the commencement of year five of the Compact Term, the Government must submit to MCC an initial draft Compact Closure Plan in accordance with the MCC Program Closure Guidelines.

(viii) Prior to the initial Disbursement of Program Funding for a given Project or Activity where such Project or Activity (or any component thereof) is to be implemented in coordination with an Implementing Entity in whole or in part, MCA-Burkina Faso II must have delivered to MCC an executed copy of an agreement between MCA-Burkina Faso II and the relevant Implementing Entity that sets forth the roles and responsibilities of each party with respect to such Project or Activity, which agreement must be in form and substance satisfactory to MCC.

(ix) Prior to the Disbursement of Program Funding for the fourth quarter of each year of the Compact Term, MCA-Burkina Faso II shall conduct a review of, and MCC shall be satisfied that there has been substantial compliance with, the requirements of the M&E Plan (including the targets set forth therein and any applicable reporting requirements set forth therein for the relevant Disbursement Period).

(x) Prior to the Disbursement of Program Funding for the fourth quarter of each year of the Compact Term, MCA-Burkina Faso II shall provide to MCC an annual supplemental report, in form and substance satisfactory to MCC, containing the following information:

(A) the progress made by the Government toward achieving the Compact Goal and Project Objectives;

(B) additional information on accomplishments not presented in the Periodic Reports;

(C) developments in Compact implementation related to the consultative process, donor coordination, and lessons learned; and

(D) any report or document required to be delivered to MCC in connection with the Program under the MCC Environmental Guidelines (including the IFC Performance Standards that are incorporated by reference therein), any Audit Plan, or any Implementation Plan Document.

PART B. Conditions Precedent for the Strengthening Electricity Sector Effectiveness Project.

(i) Prior to the initial Disbursement of Program Funding for the Strengthening Electricity Sector Effectiveness Project, the Government shall develop and adopt a plan to incorporate the Economic Community of West African States (“*ECOWAS*”) Policy for Gender Mainstreaming in Energy Access, as well as adopt new, or amend its current, regulations to comply with the ECOWAS Regional Directive on Gender Assessments in Energy Infrastructure.

(ii) Prior to the initial Disbursement of Program Funding on or after the commencement of year five of the Compact Term, SONABEL shall have implemented full cost accounting and shall have completed the separation of its accounts.

PART C. Conditions Precedent for the Cost-Effective and Reliable Electricity Supply Project

(i) Prior to the initial Disbursement Request that includes a commitment of Program Funding for the Cost Effective and Reliable Electricity Project, SONABEL shall submit evidence that the Transmission Department has been granted appropriate authorities to reflect the role of SONABEL as the transmission system operator in accordance with Chapter 2 of Title 3 of Law 014-2017/AN, referred to as the Electricity Law, and shall have committed to the recruitment of appropriate personnel required to effectively operate and maintain the Dispatch Center and to operate the battery storage projects, in each case in accordance with the SONABEL Strategic Business Plan.

(ii) Prior to the Disbursement of Program Funding for the Cost Effective and Reliable Electricity Supply Project that includes a commitment for any infrastructure and/or equipment contract(s), SONABEL shall provide: (i) a list of personnel dedicated to operate and maintain the Dispatch Center and operate the battery storage projects; (ii) evidence of such personnel's availability for required training; and (iii) evidence that such personnel has committed to remain with SONABEL for at least two years following the training (or else reimburse SONABEL for the *pro rata* costs of such training).

(iii) Prior to the initial Disbursement Request for Program Funding that includes a commitment for any infrastructure and/or equipment contract(s) under the Improving Reliability of Supply Activity, the Government shall adopt a nationwide reserve strategy that (1) reflects the system reserve study conducted under the CDF Agreement to determine the sizing and location of the batteries, and (2) identifies the battery storage plants included under the Program as system reserve to meet all of Burkina Faso's anticipated power reserve requirements.

PART D. Conditions Precedent for the Grid Development and Access Project

(i) Prior to the initial Disbursement of Program Funding for the Connection Fund and/or PUE Fund, MCC and the Government shall agree in writing on the implementation approach for such Activities, which shall take into account the results of the randomized control study conducted through the CDF Agreement.

SCHEDULE 3

GOVERNMENT CONTRIBUTION TO THE PROGRAM

Government Contribution Schedule							
Component	Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total GoBF
Project 1 - Strengthening Electricity Sector Effectiveness Project	\$ 15,000,000						\$15,000,000
Project 2 - Cost-Effective and Reliable Electricity Supply		1,000,000	10,265,583				\$11,265,583
Project 3 - Grid Development and Access Project		5,000,000		10,000,000	5,000,000	3,845,212	\$23,845,212
	\$ 15,000,000	\$ 6,000,000	\$ 10,265,583	\$ 10,000,000	\$ 5,000,000	\$ 3,845,212	\$50,110,795

SCHEDULE 4

TAX EXEMPTION MECHANISMS¹

General

1. General Tax Exemption. The Government shall ensure that MCC Funding, the Government Contribution, and the Grant (as defined in the CDF Agreement) shall be exempt from Taxes in accordance with Section 4.2(k) of the CDF Agreement and Section 2.8 of the Compact. As agreed by the Parties, the mechanism or process for giving effect to the exemption from each applicable Tax is described in this Schedule 4.
2. MCA-Burkina Faso II; Other Exempt Persons. MCA-Burkina Faso II shall be free from any Taxes as set forth in, and in accordance with, Section 4.2(k) of the CDF Agreement and Section 2.8 of the Compact. The Parties hereby agree that the Fiscal Agent, Procurement Agent and certain contractors and service providers will be exempt from Taxes as described in this Schedule 4.
3. Tax Exemption Order. No exemption order is required under the laws and regulations of Burkina Faso to give effect to the Tax exemption described in Section 4.2(k) of the CDF Agreement and Section 2.8 of the Compact. Such Tax exemption provisions are sufficient by their terms; however, the Parties have agreed that the mechanisms described on this Schedule 4 shall be utilized to implement such Tax exemption.
4. Exemption certificates and attestations. The Government shall provide the necessary certificates and attestations to the exempt persons to give effect to the Tax exemptions, as described in this Schedule 4.
5. Further Assurances. In order to implement Section 4.2(k) of the CDF Agreement and Section 2.8 of the Compact, the Government shall from time to time (and shall cause all relevant Government Affiliates to) issue, execute and deliver such other instructions, instruments or documents, and take such other action, as may be necessary or appropriate to give full effect to the provisions of this Schedule 4, the CDF Agreement and the Compact.

Income Taxes and Personal Property Taxes

6. Corporate Taxes. The Government shall take all necessary steps, including issuing certificates or tax identification numbers, to ensure the exemption of all income taxes and other taxes on profit or businesses imposed on organizations or entities receiving Grant proceeds, MCC Funding, or the Government Contribution, in accordance with Section 4.2(k) of the CDF

¹ Note that throughout this Schedule 4, wherever a timeline or deadline is presented, such timeline or deadline commences upon receipt of a validly completed application, approval request, invoice, or other document (as required and applicable). In the event that such application, approval request, invoice, or other document is incorrectly completed or insufficient, MCA-Burkina Faso II, or the submitting entity (as the case may be), shall withdraw such application and take measures to correct such deficiencies.

Agreement and Section 2.8 of the Compact. The Parties agree that for purposes of implementing this exemption, the exemption mechanisms set forth in this Schedule 4 shall apply, unless the Parties agree otherwise in writing.

7. Personal Income Tax and Personal Property Taxes. The Government shall take all necessary steps to ensure that all natural persons, other than nationals of Burkina Faso, shall be exempt from personal income taxes and personal property taxes to the extent such Taxes exist in Burkina Faso and are applicable, as described in this Schedule 4, because such income or property are attributable to Grant proceeds, MCC Funding, or the Government Contribution in accordance with Section 4.2(k) of the CDF Agreement and Section 2.8 of the Compact, respectively. The Parties agree that for purposes of implementing this exemption, the exemption mechanisms set forth in this Schedule 4 shall apply, unless the Parties agree otherwise in writing.

8. Other Taxes. Due to the nature or the *de minimis* amount of Grant proceeds, MCC Funding, or Government Contribution anticipated to be utilized to pay certain limited Taxes enumerated in Part J of this Schedule 4, the Parties hereby agree that the exemption from such Taxes is impractical and will not be enforced, notwithstanding the requirements of the CDF Agreement and the Compact. However, MCC retains the right, at its sole discretion, to require that the Government enforces exemption from such Taxes.

Miscellaneous

9. Liaison. The Government hereby designates (a) the Director General of Taxes (*Directeur General des Impots* or “**DGI**”), or if such position no longer exists, such other appropriate Government official responsible for Taxes, (b) the Director General of Customs (*Directeur General des Douanes*, or “**DGD**”), or if such position no longer exists, such other appropriate Government official responsible for customs, and (c) the Director of Department of Cooperation (*Direction Générale de La Coopération*, or “**DGCOOP**”), or if such position no longer exists, such other appropriate Government official responsible for cooperation within the ministry responsible for finance, to serve as a liaison with MCA-Burkina Faso II, any other Government Affiliates, the Procurement Agent, the Fiscal Agent, and the prime contractors in the administration of the provisions of this Schedule 4, and any other matters as may be necessary for the effective implementation of the tax-related provisions of the CDF Agreement and the Compact.

PART A
CUSTOMS DUTIES AND IMPORT VALUE ADDED TAX, AND TAX ON
PASSENGER VEHICLES
(DROITS DE DOUANES ET DE LE TAXE SUR LA VALEUR AJOUTEE (TVA) A
L'IMPORTATION, ET TAXE SUR LES VÉHICULES DE TOURISME)

1. Legal Basis for Exemption

- The Compact
- The CDF Agreement
- Applicable provisions of the *Code Général des Impôts*
- Applicable provisions of the *Code Général des Douanes*
- Decree N°2017-0498/PRES/PM/MINEFID/MCIA, dated 19 June 2017, related to the import verification program

2. Beneficiaries of Exemption

MCA-Burkina Faso II, the Fiscal Agent, the Procurement Agent, national and foreign prime contracting parties within the exclusive framework of the contracts signed with MCA-Burkina Faso II.

3. Description of the Procedures

(a) Obligations of the Fiscal Agent, the Procurement Agent, and the other prime contracting parties

Import of vehicles

The Fiscal Agent, the Procurement Agent, and the other prime contracting parties shall affix to their contracts the exhaustive list of the equipment and other materials required for the implementation of the contract signed with MCA-Burkina Faso II.

For the effective benefit of the exemption from customs duties, the value added tax, and the tax on passenger vehicles with horsepower equal or greater than 13 , the Fiscal Agent, the Procurement Agent, and the prime contracting parties must have the vehicle(s) taken over by the vehicle customs clearance office (BVA). This office will provide a registration number (coverage number of the vehicle).

The above-mentioned formalities can also be fulfilled by the office of Bobo station based on the origin of the vehicles.

Import of equipment and other goods

For the effective benefit of the exemption, the Fiscal Agent, the Procurement Agent and the prime contracting parties shall cause the relevant customs house to take

custody of the equipment or goods. This office will give them the register number (coverage number of the equipment or goods).

Then, the Fiscal Agent, the Procurement Agent and the prime contracting parties shall submit to DGD a file/application including:

- Three copies and the original stamped copy of an application for temporary import (for vehicles) or an application for duties and tax exemption (for any other equipment or other goods) forwarded to the General Director of the Customs Division and signed by MCA-Burkina Faso II's Chief Executive Officer, or any other person duly authorized. This request, drawn up in three copies and stamped in its original, must include the references of CDF Agreement or the Compact, or of the contract, their Unique Financial Identifier number, as well as the register number of the vehicle/the equipment or goods
- A copy of the CDF Agreement or the Compact, whichever is applicable, and this Part A to Schedule 4
- A copy of the contract duly registered
- A certificate of final destination issued by MCA-Burkina Faso II in triplicate
- The purchase or customs transfer invoice of the vehicle, the equipment or the goods in three copies
- A quantitative list of the products.

However, for the heavy site material, the prime contracting parties for works contracts shall benefit from a temporary admission and a guarantee exemption. To benefit from this temporary admission, such contractors shall present, if need be, in addition to the above-mentioned documents, a value certificate for second-hand/used equipment.

Oil products

In addition to the documents required above, apart from the quantitative list of products, three copies of the oil company's purchase order shall be attached to the application.

MCA-Burkina Faso II, the Fiscal Agent, the Procurement Agent, and any Exempt Works Contractor (as defined in Part F of this Schedule 4) shall be the only beneficiaries of the oil products exemptions.

(b) Obligations of MCA-Burkina Faso II and the Procurement Agent

The above-mentioned obligations shall also apply to MCA-Burkina Faso II.

MCA-Burkina Faso II and the Procurement Agent shall include a description of the tax and customs system in the bidding documents and in the contracts as stated in this Part A of Schedule 4.

MCA-Burkina Faso II shall forward to the General Directorate of Customs, the specimen signature of the MCA-Burkina Faso II Chief Executive Officer, as well as those of all the persons duly authorized to sign temporary import, admission or fees and tax exemption applications.

MCA-Burkina Faso II shall review, authenticate, and stamp all the above-mentioned documents relating to any application submitted by the Fiscal Agent, the Procurement Agent, and any other prime contracting parties seeking to benefit from a temporary import, a temporary admission or a temporary fee and tax exemption. The MCA-Burkina Faso II shall comply with this procedure within a maximum period of two working days.

(c) Obligations of DGD

DGD, on receipt of the complete file/application, shall provide the appropriate document to the authorized customs broker for the Fiscal Agent, the Procurement Agent, and/or the other prime contracting parties, who shall submit it to the relevant customs office for customs procedures.

DGD shall comply with this procedure within a maximum period of two working days.

(d) Obligations of Fiscal Agent

The Fiscal Agent shall be accountable for monitoring the Tax exemption acquisition mechanisms. As a representative of MCA-Burkina Faso II, the Fiscal Agent shall immediately notify any problem/issue to the officials of the relevant services.

4. Accountable Parties

The following individuals shall serve as the appropriate points of contact for their respective institutions with respect to this Part A to Schedule 4. For the avoidance of doubt, these individuals may be updated via letter.

Name and Title	Institution/Organization	Contact Information
	UCF-Burkina Faso (until replaced by MCA-Burkina Faso II)	
	MCA-Burkina Faso II	
	Fiscal Agent	
	DGD	

PART B
DOMESTIC VALUE ADDED TAX
(TAXE SUR LA VALEUR AJOUTEE (TVA) EN REGIME INTERIEUR)

1. Legal Basis for Exemption

- The Compact
- The CDF Agreement
- Applicable provisions of the *Code Général des Impôts*

2. Beneficiaries of Exemption

MCA-Burkina Faso II, the Fiscal Agent, the Procurement Agent, the prime national and foreign contracting parties within the exclusive framework of the contracts signed with MCA-Burkina Faso II.

3. Description of the Procedures

(a) Obligations of the Fiscal Agent, the Procurement Agent, and the other prime contracting parties

The Fiscal Agent, the Procurement Agent and the other prime contracting parties shall submit, for the registration procedure, the contract signed with MCA-Burkina Faso II for the relevant services to DGI. The other prime contracting parties holding works contracts shall see to it that their contracts include the exhaustive list of the equipment and other materials required for their implementation.

During the first year of the contract, a stamped application for the issuance of a VAT exemption certificate shall be addressed by the Fiscal Agent, the Procurement Agent and the other prime contracting parties to the DGI. This application shall include a copy of the CDF Agreement or the Compact, as applicable, and the contract duly registered.

For the renewal of the exemption certificate, the same procedure shall be implemented by the Fiscal Agent, the Procurement Agent and the other prime contracting parties. In specific cases, besides the copy of the contract duly registered, the above-mentioned exemption certificate shall be appended to the application.

Prior to submission of the exemption certificate application to the DGI, the Fiscal Agent, the Procurement Agent and the other prime contracting parties shall ensure the application is provided with MCA-Burkina Faso II stamp.

The Fiscal Agent, the Procurement Agent and the other prime contracting parties shall have a *pro forma* invoice established by a supplier they will designate prior to any involvement in procurement of goods or services required for the contract implementation.

The Fiscal Agent, the Procurement Agent and the other prime contracting parties shall ensure that the *pro forma* invoice made out for them includes the complete identity of the supplier of goods or services, address, telephone number, Personal Financial Code (IFU), taxation status as well as the reporting tax department, the designation of the goods or services, the amount excluding tax (*hors-taxes* or HT), the amount of VAT and the amount including all taxes (*toutes taxes comprises* or TTC), and the number of the *pro forma* invoice as well as its date

The Fiscal Agent, the Procurement Agent and the other major contracting parties shall forward to MCA-Burkina Faso II for signature, the *proforma* invoice (three copies) including the original copy, as well as two copies of the order form or letter.

Once the Fiscal Agent, the Procurement Agent and the other prime contracting parties of MCA-Burkina Faso II receive *pro forma* invoice and the order or letter form with MCA-Burkina Faso II's stamp, they shall forward them to the DGI for a stamp with a copy of the still valid VAT exemption certificate. Once the DGI stamp is obtained, they submit the stamped *pro forma* invoice to the supplier of goods or services, which shall apply the exemption on procurements and give them back a final invoice.

NB: The request for a VAT refund visa must be filed with the *Service des Régimes Particuliers et du Contentieux* of the Directorate of Legislation and Litigation (located at the headquarters of the DGI, left wing, 1st floor).

(b) Obligations of MCA-Burkina Faso II and the Procurement Agent

The above-mentioned obligations shall also apply to MCA-Burkina Faso II.

MCA-Burkina Faso II and the Procurement Agent shall include a description of the tax and customs system in the bidding documents and in the contracts as stated in this Part B of Schedule 4.

MCA-Burkina Faso II shall forward to the DGI the specimen signature of the MCA-Burkina Faso II Chief Executive Officer, as well as those of all the persons duly authorized to sign temporary import, admission or fees and tax exemption applications.

MCA- Burkina Faso II shall determine whether the purchase is in compliance with the contract and eligible for the VAT exemption. Once this determination is made, MCA-Burkina Faso II shall stamp and forward to the Fiscal Agent, the Procurement Agent and all the prime contracting parties (as the case may be), three copies of the *pro forma* invoice and two duly stamped orders or letter forms. MCA-Burkina Faso II shall comply with this procedure within a maximum period of two (2) working days.

(c) Obligations of DGI

DGI shall issue the exemption certificate within a maximum of three working days from the submission date of the file.

For the stamp on *pro forma* invoices and purchase orders or letter, the DGI shall have two working days from the submission date of the file.

(d) Obligations of Fiscal Agent

The Fiscal Agent shall be accountable for monitoring the Tax exemption acquisition mechanisms. As a representative of MCA-Burkina Faso II, the Fiscal Agent shall immediately notify any problem/issues to the officials of the relevant services.

4. Accountable Parties

The following individuals shall serve as the appropriate points of contact for their respective institutions with respect to this Part B to Schedule 4. For the avoidance of doubt, these individuals may be updated via letter.

Name and Title	Institution/Organization	Contact Information
	UCF-Burkina Faso (until replaced by MCA-Burkina Faso II)	
	MCA-Burkina Faso II	
	Fiscal Agent	
	Procurement Agent	
	DGI	

PART C
CORPORATE INCOME TAXES
(IMPORT SUR LES SOCIETIES (IS), IMPOT SUR LES BENEFICIES INDUSTRIELS,
COMMERCIAUX ET AGREICOLES (IBICA), IMPORT SUR LES BENEFICES DES
PROFESSIONS NON COMMERCIALERS (IBNC), ACOMPTE SUR LES BENEFICES,
MINIMUM FORTAITAIRE DE PERCEPTION)

1. Legal Basis for Exemption

- The Compact
- The CDF Agreement
- Applicable provisions of the *Code Général des Impôts*

2. Beneficiaries of Exemption

All Vendors, other than Vendors formed under the laws of Burkina Faso (each an “**Exempt Vendor**”); provided that in determining if a Vendor has been formed under the laws of Burkina Faso for the purposes of this Part C to Schedule 4, the status of such Vendor shall be based on its status as of the time it is awarded or executes a Compact-related agreement or contract, and such initial determination shall not change during the Compact Term regardless of: (i) the type of agreement or contract used to employ or engage such Vendor; (ii) any laws of Burkina Faso that purport to change such status based on period of contract performance or period of time residing and/or working in Burkina Faso; and/or (iii) any requirement under the laws of Burkina Faso that a company or other legal person must establish a branch office in Burkina Faso, or otherwise register or organize itself under the laws of Burkina Faso, in order to provide goods, services or works in Burkina Faso.

3. Description of Procedures

(a) Obligations of the Exempt Vendor

Any Exempt Vendor earning only Compact-related corporate income in Burkina Faso in any given fiscal year shall be exempt from paying any applicable Taxes on such Compact-related corporate income and shall declare such Compact-related corporate income in its year-end tax filing with DGI solely for informational purposes.

Any Exempt Vendor earning both Compact-related corporate income and non-Compact-related corporate income in any given fiscal year shall:

- Submit and register each Compact-related contract or agreement (each a “**Compact Contract**”) with DGI, together with a certification from MCA-Burkina Faso II confirming that the goods, services or works to be provided under the Compact Contract form a part of the Program.
- At the end of any such fiscal year, the Exempt Vendor shall be permitted to exclude the gross income derived from any Compact Contract(s) (as verified by the registered Compact Contract(s)) for the purposes of determining its corporate income tax liability in Burkina Faso for any such fiscal year. The Exempt Vendor shall declare

such Compact-related gross corporate income in its year-end tax filing with DGI solely for informational purposes.

- For example, if an Exempt Vendor earned US\$100,000 of gross corporate income under a Compact Contract(s) and an additional US\$500,000 in other Burkina Faso-related gross corporate income, the Exempt Vendor shall be permitted to exclude, the US\$100,000 for the purposes of determining its corporate income tax liability in Burkina Faso for such fiscal year.

(b) Obligations of MCA-Burkina Faso II and the Procurement Agent

MCA-Burkina Faso II and the Procurement Agent shall include a description of the tax and customs system in the bidding documents and in the contracts as stated in this Part C of Schedule 4.

(c) Obligations of DGI

DGI shall ensure the strict implementation of these exemption provisions for the Fiscal Agent, the Procurement Agent, and for the other prime contracting parties that meet all the above-mentioned obligations.

4. Special Provisions Relating to tax collection as regards profits: withholding of income tax

(a) Obligations of Exempt Vendor

To obtain an exemption from tax collection and income tax withholding, the Exempt Vendor shall submit to DGI a stamped application for the issuance of exemptions for this withholding tax. This application shall include a copy of the CDF Agreement or the Compact (as the case may be) and the registered contract.

For the renewal of the exemption, the same procedure shall be implemented by the Exempt Vendor. In specific cases, besides the copy of the duly registered contract, the above-mentioned exemption certificate shall be appended to the application.

Before submitting an application for exemption hereunder, the Exempt Vendor shall ensure the application is provided with a stamp from MCA- Burkina Faso II.

To benefit from this exemption, the Exempt Vendor shall, on the occasion of any goods for import, give a copy of its exemption certificate to the relevant customs services or their suppliers. This shall also apply to services provided for MCA-Burkina Faso II, as part of withholding exemption.

(b) Obligations of MCA-Burkina Faso II

The obligations provided above shall also apply to MCA-Burkina Faso II.

MCA-Burkina Faso II shall review, authenticate and stamp all the above-mentioned documents relating to any application submitted by an Exempt Vender for an exemption from withholding taxes. The stamp shall be issued within two working days from the date a complete file has been submitted to MCA-Burkina Faso II.

(c) Obligations of DGI

The DGI shall issue exemption certificates within three working days from the date of file submission. These exemption certificates shall expressly state that they are valid only within the framework of the implementation of the contracts signed with MCA- Burkina Faso II.

The DGI shall see to the strict implementation of the exemption provisions of tax on benefits for the Exempt Vender, which met all the above-mentioned obligations.

As long as any Exempt Vender shall hold valid exemption certificates, the DGI shall not ask MCA-Burkina Faso II to make withholding deduction. In the same way, their suppliers shall not be compelled to pay for possible deductions at source which are not invoiced.

5. Accountable Parties

The following individuals shall serve as the appropriate points of contact for their respective institutions with respect to this Part C to Schedule 4. For the avoidance of doubt, these individuals may be updated via letter.

Name and Title	Institution/Organization	Contact Information
	UCF-Burkina Faso (until replaced by MCA-Burkina Faso II)	
	MCA-Burkina Faso II	
	Fiscal Agent	
	Procurement Agent	
	DGI	

PART D
TAX ON SALARIES AND RESIDENCES
(IMPOT UNIQUE SUR LES TRAITEMENTS ET SALAIRES (IUTS), TAXE
PATRONALE D'APPRENTISSAGE (TPA) ET TAXE DE RESIDENCE (TR))

1. Legal Basis for Exemption

- The Compact
- The CDF Agreement
- Applicable provisions of the *Code Général des Impôts*

2. Beneficiaries of Exemption

Foreign national staff of MCA-Burkina II, the Fiscal Agent, the Procurement Agent and other foreign prime contractors, recruited outside Burkina Faso, are exempt from IUTS and the residence tax

MCA-Burkina Faso II is exempt from the TPA.

The Fiscal Agent, Procurement Agent, and other prime contractor parties are exempt from the TPA on the salaries and wages paid to staff recruited in Burkina Faso or outside Burkina Faso under the exclusive framework of contracts concluded with the MCA -Burkina II are exempt from TPA.

3. Description of Procedures

(a) Obligations of the Fiscal Agent, Procurement Agent and the other prime contracting parties

The Fiscal Agent, the Procurement Agent, and the other foreign prime contracting parties shall add to the contract the list of their staff from foreign nationality recruited within the exclusive framework of contracts concluded with MCA-Burkina II.

(b) Obligations of MCA-Burkina Faso II

MCA-Burkina Faso II shall review, authenticate, stamp and forward to DGI, the foreign staff list of the Fiscal Agent, the Procurement Agent, and the other prime contracting parties.

MCA-Burkina Faso II shall also forward to DGI the list of its foreign staff.

(c) Obligations of DGI

DGI shall take all appropriate measures for the effective application of the exemption on the IUTS, the TPA and the residence tax for the benefit of the beneficiaries of the exemption.

4. Accountable Parties

The following individuals shall serve as the appropriate points of contact for their respective institutions with respect to this Part D to Schedule 4. For the avoidance of doubt, these individuals may be updated via letter.

Name and Title	Institution/Organization	Contact Information
	UCF-Burkina Faso (until replaced by MCA-Burkina Faso II)	
	MCA-Burkina Faso II	
	Fiscal Agent	
	DGI	

PART E
TAX ON RECEIVABLES, DEPOSITS, AND SURETY BOND
(IMPOT SUR LES CREANCES, DEPOTS ET CAUTIONNEMENTS)

1. Legal Basis for Exemption

- The Compact
- The CDF Agreement
- Applicable provisions of the *Code Général des Impôts*

2. Beneficiaries of Exemption

MCA-Burkina Faso II

3. Description of Procedures

(a) Obligations of MCA-Burkina Faso II

MCA-Burkina Faso II shall submit an exemption application to DGI stating the numbers of the accounts on its behalf and the corporate name of the banking institutions in which they are placed.

(b) Obligations of banking institutions

The banking institutions shall ensure that no tax deduction is made on the MCA-Burkina Faso II account proceeds.

(c) Obligations of DGI

DGI shall issue an exemption certificate within three working days from the submission date of the application.

(d) Obligations of Fiscal Agent

The Fiscal Agent shall ensure that the banking institutions comply with their obligations. The Fiscal Agent shall notify, in the event of any problem, the officials of the relevant services.

4. Accountable Parties

For the avoidance of doubt, these individuals may be updated via letter.

Name and Title	Institution/Organization	Contact Information
	UCF-Burkina Faso (until replaced by MCA-Burkina Faso II)	

Name and Title	Institution/Organization	Contact Information
	MCA-Burkina Faso II	
	Fiscal Agent	
	DGI	

PART F
FUEL TAXES, INCLUDING CUSTOMS DUTIES ON OIL PRODUCT
(TAXE SUR LES PRODUITS PETROLIERS (TPP))

1. Legal Basis for Exemption

- The Compact
- The CDF Agreement
- Applicable provisions of the *Code Général des Impôts*
- Applicable provisions of the *Code Général des Douanes*

2. Beneficiaries of Exemption

- MCA-Burkina Faso II, the Fiscal Agent and the Procurement Agent.
- Any contractor or other enterprise that has signed a contract with MCA-Burkina Faso II for construction/infrastructure works within the exclusive framework of the Program (“*Exempt Works Contractor*”)

3. Description of Procedures

3.1 Coupons:

(a) Obligations of the oil company

The oil company shall provide HT and HD petrol coupons to MCA-Burkina Faso II, the Fiscal Agent, the Procurement Agent, or the Exempt Works Contractor upon presentation of the required exemption documents.

(b) Obligations of MCA-Burkina Faso II, the Fiscal Agent, the Procurement Agent, or any Exempt Works Contractor

The obligations shall be the same as the obligations set forth at Section 2(a) of Part A of this Schedule 4.

(c) Obligations of DGD

DGD, upon receipt of the complete file, shall provide the required document to the authorized customs broker for MCA-Burkina Faso II, the Fiscal Agent, the Procurement Agent, or any Exempt Works Contractor, who in turn shall present it to the relevant Office of Customs for customs procedures.

The DGD shall implement this procedure within two working days from submission of the complete file.

3.2 Bulk Purchase

(a) Obligations of the Exempt Works Contractor

For each order, the Exempt Works Contractor must deposit an application at DGD, which must include:

- An exceptional exemption admission request (“*demande d’admission exceptionnelle en franchise*”);
- A copy of the CDF Agreement or the Compact, whichever is applicable, and this Part F of Schedule 4;
- A copy of the contract between MCA-Burkina Faso II and the Exempt Works Contractor, duly signed;
- A certificate of final destination issued by MCA-Burkina Faso II in triplicate;
- The purchase or customs transfer invoice of the oil products in three copies; and
- Three copies of the oil products purchase order to the oil company shall be attached to the application.

N.B: It is necessary to specify that customs procedures shall be implemented by an authorized customs broker.

(b) Obligations of MCA-Burkina Faso II and the Procurement Agent

MCA-Burkina Faso II and the Procurement Agent shall include a description of the tax and customs system in the bidding documents and in the contract as stated in this Part F to Schedule 4, as well as a list describing the nature, quantities, and prices of the oil products to be imported under the custom duties exemption. This list must be authenticated by MCA-Burkina Faso II. A copy of this list must also be sent to the DGD.

MCA-Burkina Faso II shall forward to DGD the specimen signature of the MCA-Burkina Faso II Chief Executive Officer, as well as those of all the persons duly authorized to sign temporary import, admission or fees and tax exemption applications.

Within two working days from receipt of documentation from any Exempt Works Contractor, MCA-Burkina Faso II shall review, authenticate and stamp all the above-mentioned documents relating to any such application.

(c) Obligations of DGD

DGD on receipt of the complete file/application shall provide the appropriate document to the authorized customs broker of the Exempt Works Contractor, who on his turn will submit it to the relevant customs office for customs procedures.

DGD shall comply with this procedure within two working days of submission of a complete file/application.

4. Accountable Parties

The following individuals shall serve as the appropriate points of contact for their respective institutions with respect to this Part F to Schedule 4. For the avoidance of doubt, these individuals may be updated via letter.

Name and Title	Institution/Organization	Contact Information
	UCF-Burkina Faso (until replaced by MCA-Burkina Faso II)	
	MCA-Burkina Faso II	
	Fiscal Agent	
	Procurement Agent	
	DGD	

PART G
REGISTRATION FEES AND STAMP DUTIES
(DROITS D'ENREGISTREMENT ET DE TIMBRE)

1. Legal Basis for Exemption

- The Compact
- The CDF Agreement
- Applicable provisions of the *Code Général des Impôts*

2. Beneficiaries of Exemption

MCA-Burkina Faso II, the Fiscal Agent, the Procurement Agent, and the other national and foreign prime contracting parties within the exclusive framework of the contracts signed with MCA- Burkina Faso II.

3. Description of Procedures

(a) Obligations of MCA-Burkina Faso II and the Procurement Agent

MCA-Burkina Faso II and the Procurement Agent shall ensure that descriptions of the tax and customs systems are included in the bidding documents and in the contracts as stated in this Part G of this Schedule 4.

(b) Obligations of DGI

DGI shall ensure that MCA-Burkina Faso II, the Fiscal Agent, the Procurement Agent and the other prime contracting parties benefit from the exemption, excluding the fixed fee for services rendered for contract registration.

DGI shall implement the registration procedure within two working days from the submission date of the complete application.

4. Accountable Parties

The following individuals shall serve as the appropriate points of contact for their respective institutions with respect to this Part G to Schedule 4. For the avoidance of doubt, these individuals may be updated via letter.

Name and Title	Institution/Organization	Contact Information
	UCF-Burkina Faso (until replaced by MCA-Burkina Faso II)	

Name and Title	Institution/Organization	Contact Information
	MCA-Burkina Faso II	
	Fiscal Agent	
	Procurement Agent	
	DGD	

PART H
SINGLE TAX ON INSURANCE
(TAXE UNIQUE SUR LES ASSURANCES (TUA))

1. Legal Basis for Exemption

- The Compact
- The CDF Agreement
- Applicable provisions of the *Code Général des Impôts*

2. Beneficiaries of Exemption

MCA-Burkina Faso II, the Fiscal Agent, the Procurement Agent, and the prime contracting parties, who all shall designate MCA-Burkina Faso II, or the Government, as beneficiary of the insurance policies required under MCA-Burkina Faso II activities.

3. Description of Procedures

(a) Obligations of Fiscal Agent, Procurement Agent, and prime contracting partners

The Fiscal Agent, the Procurement Agent, and the prime contracting parties shall designate MCA-Burkina Faso II, or the Government, as beneficiary of the insurance policies required under MCA-Burkina Faso II activities.

(b) Obligations of MCA-Burkina Faso II and the Procurement Agent

MCA-Burkina Faso II and the Procurement Agent shall ensure that all bid packages and contracts include the requirement that all the insurance policies designate either MCA-Burkina Faso II, or the Government, as the beneficiary.

Once the contract is signed and duly registered, MCA-Burkina Faso II shall send a letter to DGI with all the information required on the insurance company with which the insurance policy is subscribed.

(c) Obligations of DGI

DGI shall issue an exemption certificate within three working days from the submission date of the application.

4. Accountable Parties

The following individuals shall serve as the appropriate points of contact for their respective institutions with respect to this Part H to Schedule 4. For the avoidance of doubt, these individuals may be updated via letter.

Name and Title	Institution/Organization	Contact Information
	UCF-Burkina Faso (until replaced by MCA-Burkina Faso II)	

Name and Title	Institution/Organization	Contact Information
	Faso II)	
	MCA-Burkina Faso II	
	Procurement Agent	
	DGI	

PART I
TAXES ON LAND INCOMES
(RETENUE A LA SOURCE DE L'IMPOT SUR LES REVENUS FONCIERS (IRF) ET
RETENUES A LA SOURCE SUR LES SOMMES VERSEES A DES PRESTATAIRES
RESIDENTS ET NON-RESIDENTS)

1. Legal Basis for Exemption

- The Compact
- The CDF Agreement
- Applicable provisions of the *Code Général des Impôts*

2. Beneficiaries of Exemption

MCA-Burkina Faso II, the Fiscal Agent, the Procurement Agent, and other foreign prime contracting parties that may be affected by these withholding taxes on rents and on sums paid to resident and non-resident service providers

3. Description of Procedures

(a) Obligations of the Service Provider/Lessor/Landlords

Prior to receiving any remuneration from MCA-Burkina Faso II, the Fiscal Agent, the Procurement Agent, or any other foreign prime contracting parties, the service provider or the lessor (or landlord) shall submit to MCA-Burkina Faso II, the Fiscal Agent, the Procurement Agent, or such other foreign prime contracting party, a check duly certified and made out to the order of DGI corresponding to the deducted amount.

(b) Obligations of MCA-Burkina Faso II, the Fiscal Agent, the Procurement Agent, and other foreign prime contracting parties

MCA-Burkina Faso II, the Fiscal Agent, the Procurement Agent, and the other foreign prime contracting parties shall forward such checks to DGI within a reasonable period of time and according to the procedures provided by the legislation, ensuring, however, that the service provider or the donor has obtained his payment/ rent before.

(c) Obligations of DGI

DGI undertakes to not require from MCA-Burkina Faso II, the Fiscal Agent, the Procurement Agent, or the other foreign prime contracting parties to make these deductions at source, in a way different from the above-mentioned procedure.

Moreover, DGI undertakes not to sanction MCA-Burkina Faso II, the Fiscal Agent, the Procurement Agent, or other foreign prime contracting parties for possible delays as regards to check deposit.

(d) Obligations of the Fiscal Agent

The Fiscal Agent shall be in charge of the implementation procedure at the MCA-Burkina Faso II-level.

4. Accountable Parties

The following individuals shall serve as the appropriate points of contact for their respective institutions with respect to this Part I to Schedule 4. For the avoidance of doubt, these individuals may be updated via letter.

Name and Title	Institution/Organization	Contact Information
	UCF-Burkina Faso (until replaced by MCA-Burkina Faso II)	
	MCA-Burkina Faso II	
	Fiscal Agent	
	DGI	

PART J NON-EXEMPT TAXES

As long as the amount of Grant proceeds or MCC Funding utilized to pay the Taxes enumerated below remains *de minimis*, MCC shall not require any exemption from these Taxes for MCA-Burkina Faso II, the Fiscal Agent, the Procurement Agent, the other prime contracting parties, or all other tax payers of foreign nationality involved in activities related to and funded by the CDF Agreement and the Compact.

- Tax on property capital gains (*Taxe sur les plus-values immobilières*)
- Taxation on the income of movable funds (*Impôt sur les revenus des capitaux mobiliers applicables aux valeurs mobilières*)
- Road tax (*Taxe de voirie*)
- Road taxes (tolls) (*Taxe routière*)
- Tax of tourist development (*Taxe de développement touristique*)
- Tax on beverage (*Taxe sur les boissons*)
- Taxation on tobaccos, cigars and cigarettes (*Taxe sur les tabacs, cigares, cigarettes*)
- Tax on entertainment (*Taxe sur les spectacles*)
- Tax on weapons (*Taxe sur les armes*)
- Tax for electrification development (*Taxe de développement de l'électrification*)
- Contribution of licenses (*Contribution des patentes*)
- Tax on motor vehicles (*Taxe sur les véhicules à moteur*)
- Support tax for Government audiovisual activities (*Taxe de soutien au développement des activités audiovisuelles de l'état*)
- Deductions at source on amounts paid to natural persons or legal entities that do not have a professional occupation in Burkina Faso, for the payment of services provided or used in Burkina Faso (*Retenue à la source sur les sommes que les personnes physiques et morales qui ne possèdent pas d'installation professionnelle au Burkina Faso, perçoivent en rémunération de prestations fournies ou utilisées au Burkina Faso*)
- Fees for services rendered (which are not defined as "Taxes" in the Compact or CDF Agreement) (*Taxe pour service rendu*).