



## CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

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

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

The attached notification is being sent to the Congress on March 28, 2024. The assistance may be provided, and funds obligated on or after 15 days from the date of this notification.

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

Sincerely,

/s/

Aysha House  
Vice President  
Congressional and Public Affairs

Enclosure: As stated

**MILLENNIUM CHALLENGE CORPORATION  
CONGRESSIONAL NOTIFICATION**

March 28, 2024

PROGRAM:	Eligible Countries
APPROPRIATIONS CATEGORY:	Fiscal Year 2024
OBLIGATION AMOUNT:	\$4,400,000

Pursuant to Division K, Title III under the heading “Millennium Challenge Corporation” of the Consolidated Appropriations Act, 2024 (P.L. 118-47), and section 610(a) of the Millennium Challenge Act of 2003, as amended (the “Act”), this is to advise that the Millennium Challenge Corporation (“MCC”) intends to obligate up to \$4,400,000 under section 609(g) of the Act to provide assistance to the Government of Côte d’Ivoire for the purpose of facilitating the development of a concurrent Millennium Challenge Compact for purposes of regional economic integration.

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

## SUPPLEMENTAL INFORMATION

### Background

Côte d'Ivoire experienced political instability and economic decline throughout the 1990s and 2000s. Between 2012–2024, improved political stability and policy reforms have allowed the economy to recover from years of stagnation, with an average annual gross domestic product growth rate of 8 percent during that period. This progress can be seen in the reduction of the poverty rate as measured by the national poverty line from 46.3 percent in 2015 to 39.5 percent in 2018 to 12 percent in 2023, driven by growth in industries and the services sectors, and lower inflation rates, especially among food items.

The Government of Côte d'Ivoire has been a committed MCC partner, instituting reforms that move the country towards a more vibrant, robust, and stable economic growth path. For example, Côte d'Ivoire went from passing five out of twenty indicators on the MCC scorecard in FY 2012 to ten in FY 2015, and then fourteen in FY 2019. This impressive progress was led in large part by a dedicated committee created by President Ouattara in 2011 and chaired by the Prime Minister focused solely on becoming eligible for MCC assistance. This focus on the scorecard has had tangible benefits for the people of Côte d'Ivoire as exemplified by the country's efforts to enhance gender equality in the economy. In response to MCC adding the 'gender in the economy' indicator on the scorecard, the government passed a revised family code, which removed discriminatory measures that prevented women from obtaining passports, choosing jobs freely, and from being the heads of households in the same way as a married man. Because of these reforms, millions of women in Côte d'Ivoire gained the right to basic economic participation.

### Compact Eligibility

In December 2018, MCC's Board of Directors ("Board") selected Côte d'Ivoire as eligible to develop a concurrent compact for purposes of regional economic integration. The Board also selected Burkina Faso for the same purpose, and MCC began working with both countries to determine whether there were regional projects that met MCC's investment criteria. However, following the January 2022 coup, MCC terminated Burkina Faso's eligibility for assistance. In light of the termination of Burkina Faso's eligibility to develop a concurrent compact, MCC focused regional engagement efforts toward a concurrent compact with Côte d'Ivoire that supports regional economic integration.

### Country Context

Côte d'Ivoire has the third largest energy sector in West Africa. The country has four primary energy sources (i.e., hydropower, petroleum, natural gas, and biomass), with solar energy as a secondary energy source. Its energy sector is relatively robust. As of 2021, the country had installed capacity of 2,269 MW, roughly 61% (1,390 MW) generated by thermal power and 39% (879 MW) generated by hydroelectric dams. Côte d'Ivoire is working to develop and diversify its energy-producing sources, with the objective of obtaining 42% of its power from renewable sources by 2030. Côte d'Ivoire's population has a relatively high rate of access to energy: i.e., 64% access nationwide; 95% access in urban areas, and 32% access in rural areas. Universal access to electricity by 2025 is a priority of the government.

Côte d'Ivoire is already an energy exporter due to its generation capacity and geographic location in West Africa. It exports energy to Burkina Faso, Ghana, Liberia, Guinea, and Mali through bilateral contracts, and has commitments to export approximately 300 MW of energy and represents about 22% of the total energy traded in the West African Power Pool (WAPP).

### **Summary of Proposed Project Interventions**

The proposed concurrent compact will aim to increase the net quantity of energy traded by Côte d'Ivoire on the regional energy market. This objective aligns with broader, longer-term efforts by the Government of Côte d'Ivoire and others to support Côte d'Ivoire's national energy priorities, while also providing sustainable and affordable power to the citizens of Côte d'Ivoire and the broader West African region.

MCC is actively working with the government of Côte d'Ivoire on a compact program expected to have three activities. Under Support for the ECOWAS Regional Energy Market Activity, the proposed concurrent compact is expected to enhance the regional energy market's governance (regulatory readiness and capacity), financial viability, and operational capabilities. Under the Modernizing the Grid Network in Côte d'Ivoire Activity, the concurrent compact is expected to improve Côte d'Ivoire's network exploitation technology to conform to the regional energy market rules, contribute to grid expansion, and establish a renewable energy catalyst facility. Finally, under the Support to Côte d'Ivoire on the Regional Energy Market Activity, the proposed concurrent compact is expected to improve the regulatory, financial, and operational capacity of Ivoirian energy sector actors to increase their participation in the regional energy market.

### **Assistance to Develop the Compact Proposal**

To date, the Government of Côte d'Ivoire has been a strong partner, making government officials and sector experts available, as well as by providing vital information that will advance the development of a concurrent compact program aimed at regional economic integration. Given the priority of developing this concurrent compact, MCC believes that the ongoing availability of a well-staffed compact development team in Côte d'Ivoire is critical to finalizing the compact design, ensuring a successful compact negotiation and signing, and preparing for program implementation.

Following a congressional notification, MCC signed a Grant and Implementation Agreement ("CDF Agreement") with the Government of Côte d'Ivoire on January 19, 2023, granting up to \$750,000 in compact development funding to support salaries and related program administrative expenses of the Côte d'Ivoire compact development team, on a reimbursement basis, to advance the compact development process.

MCC now intends to obligate an additional \$4,400,000, through an amendment to the CDF Agreement, to cover staff salaries, interim fiscal and procurement agent services, staff recruitment services, and other programmatic technical and administrative expenses for the Côte d'Ivoire compact development team. Funding these activities reflects MCC's commitment to developing a concurrent compact in a comprehensive manner, prior to compact signing, to reduce implementation risk and increase confidence in the economic justification and technical feasibility of the proposed project and activities.

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

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

#### **Project #1: Abidjan Transport**

The objective of the Abidjan Transport Project is to reduce vehicle operating costs and travel times along targeted road segments, while improving overall pedestrian and vehicle mobility and safety. Significant progress has been made in terms of reforms. Specifically, the Government of Côte d'Ivoire has met their obligation to increase funding to road maintenance and is on track to double road maintenance funding during the life of the compact. Construction has begun on three of the four project roadways, with construction on the final roadway commencing in the coming weeks. Technical assistance has been provided to relevant transportation infrastructure agencies to support the development of a comprehensive road asset management system. The first cohort of students in the masters in infrastructure program have completed their degree program designed to improve infrastructure asset management.

#### **Project #2: Skills for Employability and Productivity**

The objective of the Skills for Employability and Productivity Project is to increase the number of years of education received and improve the acquisition of quality, in-demand basic skills for lower secondary school students; and improve the acquisition of quality, in-demand technical skills and increase job placement rates among graduates of compact-supported technical and vocational education and training centers. Progress to date includes ongoing construction of 30 "collèges de proximité," and two teacher training centers in Bouake and San Pedro. All communities which are scheduled to receive secondary schools have benefitted from training on reducing gender-based violence to support secondary school enrollment of girls. Private sector partners have been selected to operate and maintain three technical and vocational education and training ("TVET") centers under the new private-sector-led model. Construction on the first TVET center is slated to begin in March.

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