

MILLENNIUM CHALLENGE COMPACT
BETWEEN
THE UNITED STATES OF AMERICA
AND
THE REPUBLIC OF CÔTE D'IVOIRE

MILLENNIUM CHALLENGE COMPACT
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MILLENNIUM CHALLENGE COMPACT

PREAMBLE

This MILLENNIUM CHALLENGE COMPACT (this “**Compact**”) is between the United States of America (the “**United States**”), and the Republic of Côte d’Ivoire (“**Côte d’Ivoire**”). The United States and Côte d’Ivoire are collectively referred to as the “**Parties**” and each individually as a “**Party**.”

Recalling that the Parties successfully concluded a Millennium Challenge Compact which entered into force on August 5, 2019, and by its terms expired on August 5, 2025, (“**Côte d’Ivoire Compact**”) that advanced the progress of Côte d’Ivoire in achieving lasting economic growth and poverty reduction, demonstrated the strong partnership between the Parties, and was implemented in accordance with the core policies and standards of the Millennium Challenge Corporation (“**MCC**”);

Recognizing that the Parties are committed to the shared goals of promoting economic growth and the elimination of extreme poverty in Côte d’Ivoire and that assistance under this Compact supports Côte d’Ivoire’s demonstrated commitment to strengthening good governance, economic freedom, and investments in people;

Recalling that Côte d’Ivoire consulted with its private sector and civil society to determine the priorities for the use of assistance under this Compact for such assistance to achieve lasting economic growth and poverty reduction;

Recognizing that this Compact aims to support one project in the energy sector that is intended to further regional economic integration, increased regional trade, or cross-border collaboration;

Recognizing that the United States wishes to help Côte d’Ivoire implement the program described herein to achieve the goal and objectives described herein (as such program description and objectives may be amended or modified from time to time in accordance with the terms of this Compact, the “**Program**”); and

Recognizing that MCC shall serve as an implementing agency for the United States under this Compact.

The Parties hereby agree as follows:

ARTICLE 1.

GOAL AND OBJECTIVES

Section 1.1 Compact Goal.

The goal of this Compact is to reduce poverty through economic growth in Côte d’Ivoire (the “**Compact Goal**”). MCC shall provide assistance in a manner that strengthens good governance, economic freedom, and investments in the people of Côte d’Ivoire.

Section 1.2 Project Objective.

The Program consists of one project described in Annex I (“**Project**”). The objective of the Project (“**Project Objective**”) is to increase the net quantity of electricity traded by Côte d’Ivoire on the regional market (the “**Côte d’Ivoire Regional Electricity Project Objective**”).

ARTICLE 2.

FUNDING AND RESOURCES

Section 2.1 Program Funding.

Upon entry into force of this Compact in accordance with Section 7.3, MCC shall grant to Côte d’Ivoire, under the terms of this Compact, an amount not to exceed Two Hundred and Seventy-One Million Four Hundred and Fifty-Five Thousand United States Dollars (US\$271,455,000) (“**Program Funding**”) for use by Côte d’Ivoire to implement the Program. The multi-year allocation of Program Funding is generally described in Annex II.

Section 2.2 Compact Facilitation Funding.

(a) Upon the signing of this Compact, MCC shall grant to Côte d’Ivoire, under the terms of this Compact and in addition to the Program Funding described in Section 2.1, an amount not to exceed Twenty-Eight Million Five Hundred and Forty-Five Thousand United States Dollars (US\$28,545,000) (“**Compact Facilitation Funding**” or “**CFF**”) under Section 609(g) of the Millennium Challenge Act of 2003, as amended (the “**MCA Act**”), for use by Côte d’Ivoire to facilitate the implementation of this Compact, including for the following purposes:

- (i) financial management and procurement activities;
- (ii) administrative support expenses, such as staff salaries, rent and associated property improvements, publication costs, costs to hire short-term experts, and the costs of information technology and equipment requirements;
- (iii) monitoring and evaluation activities;
- (iv) feasibility, design, and other project preparatory studies; and
- (v) other activities to facilitate compact implementation as approved by MCC.

The allocation of Compact Facilitation Funding is generally described in Annex II.

(b) In accordance with Section 7.5, this Section 2.2 and other provisions of this Compact applicable to Compact Facilitation Funding shall be effective, for purposes of Compact Facilitation Funding only, as of the date this Compact is signed by the Parties.

(c) Each Disbursement of Compact Facilitation Funding is subject to satisfaction of the conditions precedent to such Disbursement as set forth in Annex IV.

(d) If MCC determines that the full amount of Compact Facilitation Funding available under Section 2.2(a) exceeds the amount that reasonably can be utilized for the purposes

set forth in Section 2.2(a), MCC, by written notice to Côte d'Ivoire, may withdraw the excess amount, thereby reducing the amount of Compact Facilitation Funding available under Section 2.2(a) (such excess, the “**Excess CFF Amount**”). In such event, the amount of Compact Facilitation Funding granted under Section 2.2(a) shall be reduced by the Excess CFF Amount, and the United States shall have no further obligations with respect to such Excess CFF Amount.

(e) MCC, at its option by written notice to Côte d'Ivoire, may elect to grant to Côte d'Ivoire an amount equal to all or a portion of such Excess CFF Amount as an increase in the Program Funding, and such additional Program Funding shall be subject to the terms and conditions of this Compact applicable to Program Funding.

Section 2.3 MCC Funding.

Program Funding and Compact Facilitation Funding are collectively referred to in this Compact as “**MCC Funding**,” which includes any refunds or reimbursements of Program Funding or Compact Facilitation Funding paid by Côte d'Ivoire in accordance with this Compact.

Section 2.4 Disbursement.

In accordance with this Compact and the Program Implementation Agreement, MCC shall disburse MCC Funding for expenditures incurred in furtherance of the Program (each instance, a “**Disbursement**”). Subject to the satisfaction of all applicable conditions precedent, the proceeds of Disbursements shall be made available to Côte d'Ivoire, at MCC's election, by (a) deposit to one or more bank accounts established by Côte d'Ivoire and acceptable to MCC (each, a “**Permitted Account**”) or (b) direct payment to a third party as payment for an amount owed by Côte d'Ivoire for the implementation of the Program. MCC Funding may be expended only for Program expenditures.

Section 2.5 Interest.

Côte d'Ivoire shall pay or transfer to MCC, in accordance with the Program Implementation Agreement, any interest or other earnings that accrue on MCC Funding prior to such funding being used for a Program purpose.

Section 2.6 Country Resources; Budget.

(a) Consistent with the *Country Contributions Policy*, Côte d'Ivoire shall make a contribution, during the period from the signing of this Compact to the end of the Compact Term, of no less than Twenty-Two Million Five Hundred Thousand United States Dollars (US\$22,500,000) toward meeting the Project Objective (the “**Country Contribution**”). The overall allocation of the Country Contribution is generally described in Annex II, and a more detailed allocation shall be described in the Program Implementation Agreement, along with additional terms and conditions applicable to the Country Contribution. The Country Contribution shall be subject to any legal requirements in Côte d'Ivoire for the budgeting and appropriation of such contribution, including approval of Côte d'Ivoire's annual budget by its legislature. At MCC's request, Côte d'Ivoire shall provide evidence that it has budgeted and appropriated or otherwise ensured that the Country Contribution shall be made available for Program requirements. During implementation of the Program, the Country Contribution may be modified with MCC approval as provided in the *Country Contributions Policy*, provided that the modified

contribution continues to advance the Project Objectives. In addition, Côte d'Ivoire shall provide all funds and other resources, and shall take all other actions, that are necessary to carry out its responsibilities under this Compact.

(b) Côte d'Ivoire shall use its best efforts to ensure that all MCC Funding it receives or is projected to receive in each of its fiscal years is fully accounted for and identified in its annual budget for the duration of the Program.

(c) Côte d'Ivoire shall not reduce the normal and expected resources that it would otherwise budget for the activities contemplated under this Compact. In addition, unless Côte d'Ivoire discloses otherwise to MCC in writing, MCC Funding shall be in addition to such resources.

Section 2.7 Limitations on the Use of MCC Funding.

Côte d'Ivoire shall ensure that MCC Funding is not used for any purpose that would violate United States law or policy, as specified in this Compact or as further notified to Côte d'Ivoire in writing, including but not limited to the following purposes:

(a) for assistance to, or training of, the military, police, militia, national guard or other quasi-military organization or unit;

(b) for any activity that is likely to cause a substantial loss of United States jobs or a substantial displacement of United States production;

(c) to undertake, fund or otherwise support any activity that is likely to cause a significant environmental, health, or safety hazard, as further described in MCC's *Environmental Guidelines* and any guidance documents issued in connection with such guidelines (collectively, the "***Environmental Guidelines***"); or

(d) to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions, to pay for the performance of involuntary sterilizations as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations or to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning.

Section 2.8 Taxes and Customs.

(a) Côte d'Ivoire shall ensure that all MCC Funding is free from all taxes, duties, levies, and other similar charges imposed by or in Côte d'Ivoire (whether at the national, regional, local or other level) (but not fees or charges for services that are generally applicable in Côte d'Ivoire, reasonable in amount and imposed on a non-discriminatory basis) ("***Taxes***"). Without limiting the broad scope of the previous sentence, MCC Funding shall be free from any and all: (i) tariffs, customs duties, import taxes, export taxes, and other similar charges on any goods, works or services introduced into Côte d'Ivoire in connection with the Program; (ii) tariffs, customs duties, import taxes, export taxes, and other similar charges on any personal effects, vehicles, equipment, supplies, or other items imported into Côte d'Ivoire by any personnel (including employees and contractors of MCC and any providers of goods, works, or services to the Program) and their families for their own use, which personnel or providers are present in the

country to perform work in connection with the Program and are not citizens or permanent residents of Côte d'Ivoire; (iii) sales tax, value added tax, excise tax, property transfer tax, and other similar charges on any transactions involving goods, works or services in connection with the Program; (iv) taxes and other similar charges on ownership, possession or use of any property in connection with the Program; and (v) taxes and other similar charges on income, profits, or gross receipts attributable to work performed in connection with the Program, and related social security taxes and other similar charges on all natural or legal persons performing work in connection with the Program, except (1) natural persons who are citizens or permanent residents of Côte d'Ivoire and (2) legal persons formed under the laws of Côte d'Ivoire other than MCA-Côte d'Ivoire Regional and any other entity formed for the purpose of implementing Côte d'Ivoire's obligations hereunder.

(b) The mechanisms that Côte d'Ivoire shall use to implement the tax exemption required by Section 2.8(a) for certain principal Taxes are set forth in Annex V of the Program Implementation Agreement. Such mechanisms may include exemptions from the payment of Taxes that have been granted in accordance with applicable law or refund or reimbursement of Taxes by Côte d'Ivoire to MCC, MCA-Côte d'Ivoire Regional or to the taxpayer. For the avoidance of doubt, the identification (or lack of identification) of Taxes in Annex V of the Program Implementation Agreement shall in no way limit the scope of the tax-free treatment of MCC Funding required by this Section 2.8. In addition, Côte d'Ivoire shall from time to time execute and deliver, or cause to be executed and delivered, such other instructions, instruments or documents, and to take or cause to be taken such other actions as MCC may determine is necessary or appropriate to implement the provisions of this Section 2.8.

(c) If a Tax has been paid contrary to the requirements of Section 2.8(a) or Annex V of the Program Implementation Agreement, Côte d'Ivoire shall refund promptly to MCC (or to another party as designated by MCC) the amount of such Tax in United States dollars or the currency of Côte d'Ivoire within sixty (60) days (or such other period as may be agreed in writing by the Parties) after Côte d'Ivoire is notified in writing (whether by MCC or MCA-Côte d'Ivoire Regional) that such Tax has been paid. Failure to refund such amount within the specified time shall result in interest accruing on the unpaid amount in accordance with Section 5.4.

(d) Côte d'Ivoire shall not apply any MCC Funding, the Country Contribution, any proceeds thereof or any Program Assets to satisfy its obligations under Section 2.8(c).

ARTICLE 3.

IMPLEMENTATION

Section 3.1 Program Implementation Agreement.

The Parties shall enter into an agreement providing further detail on the implementation arrangements for the Program, including fiscal accountability and disbursement, and use of MCC Funding and the Country Contribution, among other matters (the "***Program Implementation Agreement***" or "***PIA***"); and Côte d'Ivoire shall implement the Program in accordance with this Compact, the PIA, and each other Supplemental Agreement.

Section 3.2 Country Responsibilities.

(a) Côte d'Ivoire has principal responsibility for overseeing and managing the implementation of the Program.

(b) In consultation with MCC, Côte d'Ivoire shall designate an entity to be established as an autonomous entity through a decree, as the accountable entity to implement the Program and to exercise and perform Côte d'Ivoire's right and obligation to oversee, manage and implement the Program, including without limitation, managing the implementation of the Projects and their Activities, allocating resources, and managing procurements. Such entity shall be referred to herein as "**Millennium Challenge Account-Côte d'Ivoire Regional (MCA-Côte d'Ivoire Regional)**," and shall have the authority to bind Côte d'Ivoire with regard to all Program activities. Côte d'Ivoire hereby also designates MCA-Côte d'Ivoire Regional to exercise and perform Côte d'Ivoire's right and obligation to oversee, manage, and implement the activities described in the Grant and Implementation Agreement, dated as of January 19, 2023, by and between Côte d'Ivoire and MCC (as amended or otherwise modified, the "**CDF Agreement**"). Prior to MCA-Côte d'Ivoire Regional's establishment, Côte d'Ivoire hereby designates the MCC Regional Compact Program Formulation Unit (*La Cellule de Formulation du Programme du Compact Régional du MCC*) ("**Compact Development Team**") to act on behalf of Côte d'Ivoire with respect to the Program and CDF Agreement, and any reference herein or in the Program Implementation Agreement to MCA-Côte d'Ivoire Regional shall be deemed a reference to the Compact Development Team until such time as MCA-Côte d'Ivoire Regional is duly established. The Parties note that Côte d'Ivoire remains fully responsible for the performance of its obligations and responsibilities under this Compact notwithstanding the designation made in this Section 3.2(b), and any provision of this Compact, the PIA or any other Supplemental Agreement obligating MCA-Côte d'Ivoire Regional to take any action or refrain from taking any action, as the case may be, means Côte d'Ivoire shall cause MCA-Côte d'Ivoire Regional to take such action or refrain from taking such action, as the case may be. MCC hereby acknowledges and consents to the designation in this Section 3.2(b).

(c) Côte d'Ivoire shall ensure that any Program Assets or services funded in whole or in part (directly or indirectly) by MCC Funding are used solely in furtherance of this Compact and the Program unless MCC approves otherwise in writing.

(d) Côte d'Ivoire shall take all necessary or appropriate steps to achieve the Project Objective during the Compact Term (including, without limiting Section 2.6(a), funding all costs that exceed MCC Funding and are required to carry out the terms hereof and achieve such objectives, unless MCC approves otherwise in writing).

(e) Côte d'Ivoire shall ensure that the Program is implemented, and that Côte d'Ivoire carries out its obligations hereunder, with due care, efficiency, and diligence in conformity with sound technical, financial, and management practices, and in conformity with this Compact, the Program Implementation Agreement, each other Supplemental Agreement, and the Program Guidelines.

(f) Côte d'Ivoire shall retain ownership of any Intellectual Property developed, in whole or in part, with MCC Funding. Côte d'Ivoire hereby grants to the United States a perpetual, irrevocable, royalty-free, worldwide, fully paid license (including the right to assign such license) to practice or have practiced on its behalf (including the right to produce, reproduce, publish, repurpose, use, store, modify, or make available) any portion or portions of such Intellectual Property as MCC sees fit in any medium, now known or hereafter developed, for any purpose whatsoever.

Section 3.3 Policy Performance.

In addition to undertaking the specific policy, legal, and regulatory reform commitments identified in Annex I (if any), Côte d'Ivoire shall seek to maintain and to improve its level of performance under the policy criteria identified in Section 607 of the MCA Act, and the selection criteria and methodology used by MCC.

Section 3.4 Accuracy of Information.

Côte d'Ivoire assures MCC that, as of the date Côte d'Ivoire signs this Compact, the information provided to MCC by or on behalf of Côte d'Ivoire in the course of reaching agreement on this Compact is true, correct, and complete in all material respects.

Section 3.5 Implementation Letters.

From time to time, MCC may provide guidance to Côte d'Ivoire in writing on any matters relating to this Compact, MCC Funding, or implementation of the Program. Côte d'Ivoire shall use such guidance in implementing the Program. The Parties may also issue joint writings to confirm and record their mutual understanding on aspects related to the implementation of this Compact, the PIA or other related agreements, including to record any revisions, exceptions or modifications that are permitted hereunder. All such writings are referred to as “**Implementation Letters.**”

Section 3.6 Procurement and Grants.

(a) Côte d'Ivoire shall ensure that the procurement of all goods, works, and services to implement the Program shall be in accordance with the *Accountable Entity Procurement Policy & Guidelines*. Accordingly, Côte d'Ivoire's public procurement law, l'Ordonnance no. 2019-679 of July 24, 2019 Portant Code des Marchés Publics, and any other laws or regulations of Côte d'Ivoire regarding procurements shall not apply to procurements to implement the Program. The *Accountable Entity Procurement Policy & Guidelines* include the following provisions, among others:

(i) open, fair, and competitive procedures must be used in a transparent manner to solicit, award, and administer contracts and to procure goods, works, and services;

(ii) solicitations for goods, works, and services must be based upon a clear and accurate description of the goods, works, and services to be acquired;

(iii) contracts must be awarded only to qualified and eligible contractors that have the capability and willingness to perform the contracts in accordance with their terms on a cost effective and timely basis; and

(iv) no more than a commercially reasonable price, as determined, for example, by a comparison of price quotations and market prices, shall be paid to procure goods, works, and services.

(b) Côte d'Ivoire shall ensure that any grant issued in furtherance of the Program (each, a "**Grant**") is awarded, implemented, and managed pursuant to open, fair, and competitive procedures in accordance with the *Program Grant Guidelines*.

Section 3.7 Records; Accounting; Access.

(a) Program Books and Records. Côte d'Ivoire shall maintain and shall use its best efforts to ensure that all Covered Providers maintain accounting books, records, documents, and other evidence relating to the Program adequate to show, to MCC's satisfaction, the use of all MCC Funding, the Country Contribution, and the implementation and results of the Program ("**Compact Records**"). Compact Records must be maintained for at least five (5) years after the end of the Compact Term or for such longer period, if any, required in connection with any litigation, claims, audit findings, or applicable legal requirements. In addition, Côte d'Ivoire shall furnish or cause to be furnished to MCC, upon its request, originals or copies of such Compact Records.

(b) Accounting. Côte d'Ivoire shall maintain and shall use its best efforts to ensure that all Covered Providers maintain Compact Records in accordance with generally accepted accounting principles prevailing in the United States, or at Côte d'Ivoire's option and with MCC's prior written approval, other accounting standards, such as those (i) set by the International Accounting Standards Board or (ii) then prevailing in Côte d'Ivoire.

(c) Access. Upon MCC's request, Côte d'Ivoire, at all reasonable times, shall permit, or cause to be permitted, authorized representatives of MCC, the Inspector General of MCC ("**Inspector General**"), the United States Government Accountability Office, any auditor responsible for an audit contemplated herein or otherwise conducted in furtherance of this Compact, and any agents or representatives engaged by MCC or Côte d'Ivoire to conduct any assessment, review, or evaluation of the Program, the opportunity to audit, review, evaluate, or inspect facilities, assets, and activities funded in whole or in part by MCC Funding or the Country Contribution.

Section 3.8 Audits; Reviews.

(a) Program Audits. Côte d'Ivoire shall, on at least an annual basis (or on such other intermittent basis as requested by MCC in writing), conduct, or cause to be conducted, financial audits and review engagements of all disbursements of MCC Funding and the Country Contribution. The initial audit shall cover the period from signing of this Compact until the initial audit period end date specified in an audit plan developed and implemented by MCA-Côte d'Ivoire Regional in accordance with the *Accountable Entities Audit Guidelines for Contracted Financial Audits* (the "**Audit Guidelines**") and the Program Implementation Agreement (the "**Audit Plan**"). Subsequent audits shall cover each twelve-month period thereafter, through the end of the Compact Term, as well as the 120-day period following the expiration of the Compact Term. All such audits and review engagements shall be performed in accordance with the Audit Guidelines or such other processes and procedures as MCC may direct from time to time. In addition, Côte d'Ivoire shall ensure that such audits are conducted by an independent auditor approved by MCC and selected in accordance with the Audit Guidelines. Each audit must be completed, and the draft audit report delivered to MCC no later than 120 days after the applicable audit period, or such other period as the Parties may otherwise agree in writing. Any changes to the period to be audited shall be included in the Audit Plan as approved by MCC or as agreed by the Parties in writing.

(b) Audits of Other Entities. Côte d'Ivoire shall ensure that MCC-financed agreements between it and any Covered Provider state that the Covered Provider is subject to audit in accordance with the Audit Guidelines.

(c) Corrective Actions. Côte d'Ivoire shall use its best efforts to ensure that each Covered Provider: (i) takes, where necessary, appropriate, and timely corrective actions in response to audits; (ii) considers whether the results of the Covered Provider's audits necessitate adjustment of Côte d'Ivoire's records; and (iii) permits independent auditors to have access to its records and financial statements as necessary.

(d) Audit by MCC. MCC shall have the right to arrange for audits of Côte d'Ivoire's use of MCC Funding and of the Country Contribution.

(e) Cost of Audits, Reviews or Evaluations. MCC Funding may be used to fund the costs of any audits, reviews or evaluations required under this Compact.

ARTICLE 4.

COMMUNICATIONS

Section 4.1 Communications.

Any document or communication required or submitted by either Party to the other under this Compact must be in writing and, except as otherwise approved by MCC, in English. All such documents or communication must be submitted to the address of each Party set forth below or to such other address as may be designated by any Party in a written notice to the other Party.

To the United States:

Millennium Challenge Corporation
Attention: Vice President, Compact Operations

(with a copy to the Vice President and General Counsel)

1099 Fourteenth Street, NW Suite 700
Washington, D.C. 20005
United States of America
Telephone: +1 (202) 521-3600
Email: VPOperations@mcc.gov (Vice President, Compact Operations)
VPGeneralCounsel@mcc.gov (Vice President and General Counsel)

To Côte d'Ivoire:

Présidence de la République – Bureau du Directeur de Cabinet
Attention: Directeur de Cabinet
Plateau Boulevard Angoulvant, Palais de la Présidence de la République
01 BP 1354 ABIDJAN 01
Côte d'Ivoire
Tel: +225 2720314227/+225 2720314132
Facsimile: +225 2720314156

To MCA-Côte d’Ivoire Regional:

To Compact Development Team:

Cocody, Cité Terre d’Afrique, Riviera Golf 4, SYNACASS-CI 1;
VILLA 583
TEL: +225 2722306802

Once MCA-Côte d’Ivoire Regional is duly established, MCA-Côte d’Ivoire Regional shall notify MCC of its contact details.

Section 4.2 Representatives.

For all purposes relevant to the implementation of this Compact, Côte d’Ivoire shall be represented by the individual holding the position of, or acting as, Director of Cabinet of the Presidency of the Republic of Côte d’Ivoire, and the United States shall be represented by the individual holding the position of, or acting as, Vice President, Compact Operations of MCC (each of the foregoing, a “***Principal Representative***”). Each Party, by written notice to the other Party, may designate one or more additional representatives of such Party (each, an “***Additional Representative***”) for all purposes relevant to the implementation of this Compact except for amending this Compact pursuant to Section 6.2(a). Côte d’Ivoire hereby designates the Minister of Mines, Petroleum, and Energy and the Director General of MCA-Côte d’Ivoire Regional as Additional Representatives for Côte d’Ivoire. The United States hereby designates MCC’s Deputy Vice President, Department of Compact Operations and the Resident Country Director (RCD) for Côte d’Ivoire as Additional Representatives for the United States. A Party may change its Principal Representative to a new representative that holds a position of equal or higher authority upon written notice to the other Party.

Section 4.3 Signatures.

Signatures to this Compact and to any amendment to this Compact shall be original signatures appearing on the same page or effected through an exchange of letters or diplomatic notes.

ARTICLE 5.

TERMINATION; SUSPENSION; EXPIRATION

Section 5.1 Termination; Suspension.

(a) Either Party may terminate this Compact without cause in its entirety by giving the other Party thirty (30) days’ prior written notice. MCC may also terminate MCC Funding without cause in whole or in part by giving Côte d’Ivoire thirty (30) days’ prior written notice.

(b) The United States may, immediately, upon written notice to Côte d’Ivoire, suspend or terminate this Compact and MCC may, immediately, upon written notice to Côte d’Ivoire, suspend or terminate MCC Funding, in each case, in whole or in part, and any obligation related thereto, if MCC determines that any circumstance identified by MCC as a basis for suspension or termination (as notified to Côte d’Ivoire in writing) has occurred, which circumstances include but are not limited to the following:

(i) Côte d'Ivoire fails to comply with its obligations under this Compact or any other agreement or arrangement entered into by it in connection with this Compact or the Program;

(ii) any statement, affirmation or assurance made or deemed made by Côte d'Ivoire in this Compact, the Program Implementation Agreement, any other Supplemental Agreement, or in any certificate or other document delivered in connection with this Compact proves to have been incorrect or misleading in any material respect as of the date when made or deemed made;

(iii) an event or series of events has occurred that makes it probable that the Project Objective is not going to be achieved during the Compact Term or that Côte d'Ivoire is not going to be able to perform its obligations under this Compact;

(iv) a use of MCC Funding or continued implementation of this Compact or the Program violates applicable law or United States Government policy, whether now or hereafter in effect;

(v) Côte d'Ivoire or any other person or entity receiving MCC Funding or using Program Assets is engaged in activities that are contrary to the national security interests of the United States;

(vi) an act has been committed or an omission or an event has occurred that would render Côte d'Ivoire ineligible to receive United States economic assistance under Part I of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2151 *et seq.*), by reason of the application of any provision of such act or any other provision of law;

(vii) Côte d'Ivoire has engaged in a pattern of actions inconsistent with the criteria used to determine its eligibility for assistance under the MCA Act; and

(viii) Côte d'Ivoire is classified as a Tier 3 country in the United States Department of State's annual Trafficking in Persons Report.

Section 5.2 Consequences of Termination, Suspension or Expiration.

(a) Upon the suspension or termination, in whole or in part, of this Compact or any MCC Funding, or upon the expiration of this Compact, the provisions of Section 4.2 of the Program Implementation Agreement shall govern the post-suspension, post-termination or post-expiration treatment of MCC Funding, any related Disbursements, and Program Assets. Any portion of this Compact, MCC Funding, the Program Implementation Agreement, or any other Supplemental Agreement that is not suspended or terminated shall remain in full force and effect.

(b) MCC may reinstate any suspended or terminated MCC Funding under this Compact if MCC determines that Côte d'Ivoire or other relevant person or entity has committed to correct each condition for which MCC Funding was suspended or terminated.

Section 5.3 Refunds; Violation.

(a) If any MCC Funding, any interest or earnings thereon, or any Program Asset is used for any purpose that is in violation of the terms of this Compact, then the United States may require Côte d'Ivoire to repay to MCC in United States Dollars the value of the misused MCC Funding, interest, earnings, or asset, plus interest thereon in accordance with Section 5.4 within sixty (60) days after Côte d'Ivoire's receipt of MCC's request for repayment. Côte d'Ivoire shall not use MCC Funding, the Country Contribution, proceeds of MCC Funding or the Country Contribution, or any Program Assets to make such payment.

(b) Notwithstanding any other provision in this Compact or any other agreement to the contrary, the United States' right under Section 5.3(a) to obtain a refund shall continue during the Compact Term and for a period of: (i) five (5) years thereafter or (ii) one (1) year after MCC receives actual knowledge of such violation, whichever is later.

Section 5.4 Late Payment Interest.

If Côte d'Ivoire fails to pay any amount under this Compact or the Program Implementation Agreement when due (including amounts under Section 2.8(c) and 5.3(a)), Côte d'Ivoire shall pay interest on such past due amount. Interest shall accrue on such amount at a rate equal to the then current US Treasury Current Value of Funds Rate, calculated on a daily basis and a 360-day year from the due date of such payment until such amount is paid in full. Any such payment shall first be credited against interest due, and once the interest due amount is extinguished, then payments shall be credited against outstanding principal.

Section 5.5 Survival.

Côte d'Ivoire's responsibilities under this Section and Section 2.7 (Limitations on the Use of MCC Funding), Section 2.8 (Taxes and Customs), Section 3.2(f) (Country Responsibilities), Section 3.7 (Records; Accounting; Access), Section 3.8 (Audits; Reviews), Section 5.2 (Consequences of Termination, Suspension or Expiration), Section 5.3 (Refunds; Violation), Section 5.4 (Late Payment Interest), and Section 6.4 (Governing Law) shall survive the expiration, suspension, or termination of this Compact, *provided* that the terms of Section 2.8 shall survive for only 120 days following this Compact's expiration.

ARTICLE 6.

COMPACT ANNEXES; AMENDMENTS; GOVERNING LAW

Section 6.1 Annexes.

Each annex to this Compact constitutes an integral part hereof, and references to "Annex" mean an annex to this Compact unless expressly stated otherwise.

Section 6.2 Amendments and Modifications.

(a) The Parties may amend this Compact only by a written agreement. Such agreement shall specify how it enters into force.

(b) Notwithstanding subsection (a), the Parties may by written agreement, which shall enter into force upon signature, modify any Annex to, in particular, but without

limitation: (i) suspend, terminate or modify any Project or Activity; (ii) change the allocations of funds as set forth in Annex II; (iii) modify the implementation framework described in Annex I; (iv) add, change or delete any Indicator, Baseline or Target or other information set forth in Annex III in accordance with the M&E Policy; (v) add, modify or delete any condition precedent described in Annex IV or Annex VI; *provided* that, in each case, any such modification (A) is consistent in all material respects with the Project Objectives, (B) does not cause the amount of Program Funding to exceed the aggregate amount specified in Section 2.1 (as may be modified by operation of Section 2.2(e)), (C) does not cause the amount of Compact Facilitation Funding to exceed the aggregate amount specified in Section 2.2(a), (D) does not reduce Côte d'Ivoire's responsibilities or contribution of resources required under Section 2.6(a), and (E) does not extend the Compact Term.

(c) The Parties understand that any modification of any Annex pursuant to this Section 6.2 may be entered into by the Parties without the need for further action by Côte d'Ivoire (including any parliamentary action or the satisfaction of any additional domestic requirements).

Section 6.3 Definitions; Inconsistencies.

(a) Capitalized terms used herein shall have the respective meanings given to such terms in Annex V.

(b) In the event of any conflict or inconsistency between:

(i) any Annex and any of Articles 1 through 7, such Articles 1 through 7, as applicable, shall prevail; or

(ii) this Compact and any other agreement between the Parties regarding the Program, this Compact shall prevail.

Section 6.4 Governing Law.

This Compact is an international agreement and as such shall be governed by international law.

Section 6.5 Additional Instruments.

Any reference in this Compact to activities, obligations or rights existing under or in furtherance of this Compact shall include activities, obligations, and rights existing under or in furtherance of any agreement, document or instrument related to this Compact and the Program.

Section 6.6 References to MCC Website.

Unless expressly provided otherwise, any reference in this Compact, the PIA or any other agreement entered into in connection with this Compact, to a document or information available on, or notified by posting on the MCC Website shall be deemed a reference to such document or information as updated or substituted on the MCC Website from time to time.

Section 6.7 References to Laws, Regulations, Policies and Guidelines; References to Compact Expiration and Termination; Country Successors.

(a) Unless expressly provided otherwise, each reference in this Compact, the PIA or any other agreement entered into in connection with this Compact, to a law, regulation, policy, guideline or similar document shall be construed as a reference to such law, regulation, policy, guideline or similar document as it may, from time to time, be amended, revised, replaced, or extended, and shall include any law, regulation, policy, guideline or similar document issued under or otherwise applicable or related to such law, regulation, policy, guideline or similar document.

(b) Unless expressly provided otherwise, each reference in this Compact, the PIA, or any other agreement entered into in connection with this Compact, to a policy, guideline, guidance paper, or similar document shall be construed as a reference to an MCC policy, guideline, guidance paper, or similar document relating to the administration of MCC-funded assistance programs, in each case, as such may be posted from time to time on the MCC Website.

(c) Unless expressly provided otherwise, each reference in this Compact, the PIA, or any other agreement entered into in connection with this Compact, to a ministry of Côte d'Ivoire shall be construed to include any successor ministry with the relevant subject matter or sector authority.

(d) Each reference in this Compact, the PIA or any other agreement entered into in connection with this Compact, to the Compact's "expiration" refers to the date on which the Compact Term ends if the Compact is not terminated earlier, which in accordance with Section 7.4 is five (5) years after its entry into force. Each reference in any of the aforementioned documents to the Compact's "termination" refers to this Compact ceasing to be in force prior to its expiration in accordance with Section 5.1.

Section 6.8 MCC Status.

MCC is a United States government corporation acting on behalf of the United States in the implementation of this Compact. The United States, including MCC, assumes no liability for any claims or loss arising out of activities or omissions under this Compact. Côte d'Ivoire waives any and all claims against the United States, including MCC, and any current or former officer or employee of the United States, including MCC, for all loss, damage, injury, or death arising out of activities or omissions under this Compact, and agrees that it shall not bring any claim or legal proceeding of any kind against any of the above entities or persons for any such loss, damage, injury, or death. Côte d'Ivoire agrees that the United States, including MCC, and any current or former officer or employee of the United States, including MCC, shall be immune from the jurisdiction of all courts and tribunals of Côte d'Ivoire for any claim or loss arising out of activities or omissions under this Compact.

ARTICLE 7.

ENTRY INTO FORCE

Section 7.1 Domestic Procedures.

Côte d'Ivoire shall proceed in a timely manner to complete all of its domestic requirements for this Compact and the Program Implementation Agreement to enter into force. The Parties

understand that this Compact and the Program Implementation Agreement, upon entry into force, shall prevail over the laws of Côte d'Ivoire with the exception of the constitution of Côte d'Ivoire. The Parties further understand that, consistent with Ivorian law, prior to Côte d'Ivoire sending the letter described in Section 7.3, this Compact and the Program Implementation Agreement shall be ratified by the President of Côte d'Ivoire.

Section 7.2 Conditions Precedent to Entry into Force.

Each of the following conditions must be met to MCC's satisfaction before this Compact enters into force:

(a) the Program Implementation Agreement has been signed by the parties thereto;

(b) Côte d'Ivoire has delivered to MCC:

(i) a letter signed and dated by the Principal Representative (or such other duly authorized representative acceptable to MCC) of Côte d'Ivoire, confirming that Côte d'Ivoire has completed its domestic requirements necessary for this Compact to enter into force and that the other conditions precedent to entry into force in this Section 7.2 have been met;

(ii) a signed legal opinion from the President of the State Council (*Conseil d'État*) (or such other legal representative acceptable to MCC) of Côte d'Ivoire, in form and substance satisfactory to MCC;

(iii) complete copies of all decrees, legislation, regulations or other governmental documents relating to Côte d'Ivoire's domestic requirements necessary for this Compact and the PIA to enter into force, which MCC may post on its website or otherwise make publicly available;

(c) MCC has determined that after signature of this Compact, Côte d'Ivoire has not engaged in a pattern of actions inconsistent with the eligibility criteria for MCC Funding;

(d) The conditions set forth in Annex VI have been satisfied; and

(e) All Key Staff have been selected and engaged by MCA-Côte d'Ivoire Regional and approved by MCC.

Section 7.3 Date of Entry into Force.

This Compact shall enter into force on the date of the letter from the United States, acting through MCC, to Côte d'Ivoire in an exchange of letters confirming that the Parties have completed their respective domestic requirements for entry into force of this Compact and that the conditions precedent to entry into force in Section 7.2 have been met to the United States' satisfaction.

Section 7.4 Compact Term.

This Compact shall remain in force for five (5) years after its entry into force, unless terminated earlier under Section 5.1 (the "**Compact Term**").

Section 7.5 Provisional Application.

Upon signature of this Compact by both Parties, and until this Compact has entered into force in accordance with Section 7.3, the Parties shall provisionally apply the terms of this Compact; *provided* that, no MCC Funding, other than Compact Facilitation Funding, shall be made available or disbursed before this Compact enters into force.

SIGNATURE PAGE FOLLOWS ON THE NEXT PAGE

IN WITNESS WHEREOF, the undersigned duly authorized by their respective governments have signed this Compact.

Done in the English language.

FOR THE UNITED STATES OF AMERICA FOR THE REPUBLIC OF CÔTE D'IVOIRE

/s/

/s/

Name: Christopher Landau
Title: Interim Chief Executive Officer
Millennium Challenge Corporation
Date: September 10, 2025
Location: Washington, D.C., United States of
America

Name: Adama Coulibaly
Title: Minister of Finance and Budget
Date: September 16, 2025
Location: Abidjan, Côte d'Ivoire

ANNEX I

PROGRAM DESCRIPTION

This Annex I describes the Program to be funded with MCC Funding and the Country Contribution in Côte d'Ivoire during the Compact Term.

A. PROGRAM OVERVIEW

1. Background and Consultative Process.

(a) Background.

Côte d'Ivoire's electricity system is one of the most productive in the sub-region. In terms of production, Côte d'Ivoire's electricity system is the third largest electricity system in West Africa. The country has four primary energy sources (i.e., hydropower, oil, natural gas, and biomass). As of 2023, Côte d'Ivoire had installed capacity of 2,907 Megawatts (MW), roughly 69 percent of which (1,998 MW) is generated by thermal power, 30 percent (866 MW) by hydropower, and the remaining 1 percent (43 MW) is generated by alternative energy sources. Côte d'Ivoire is working to develop and diversify energy-producing sources, with the aim of obtaining 45 percent of its power from non-thermal sources by 2030. Côte d'Ivoire has a relatively high access to electricity rate, with electrification of all villages by 2025 a priority of Côte d'Ivoire. Côte d'Ivoire's electricity system relies on the burning of liquid fuels (heavy fuel oil) whenever there is a gas shortage or a problem at a power plant. In July 2023, and then again in January 2024, the Government of Côte d'Ivoire increased the price of electricity with the intent of balancing the electricity system in order to keep the system operational and to close the gap on losses.

Côte d'Ivoire is an electricity exporter due to its relatively high generation capacity, well developed electricity grid, and geographic location in West Africa. It exports electricity to six countries in the region: Burkina Faso, Ghana, Guinea, Liberia, Mali, and Sierra Leone through bilateral contracts. In the last ten years, the Government of Côte d'Ivoire has embarked on extensive reforms in the energy sector that are consistent with best practices and reflect the national context. The Government of Côte d'Ivoire's main energy sector strategic policy document is the "Côte d'Ivoire Vision 2040." It aims to transform the country into an industry-driven economy, whereby energy is expected to play a vital role. Côte d'Ivoire's National Development Plan calls for the country to become a "regional energy hub."

(b) Consultative Process.

Throughout the development process, MCC and Côte d'Ivoire held consultations with the West African Power Pool ("**WAPP**"), the Economic Community of West African States (ECOWAS) Regional Electricity Regulatory Authority ("**ERERA**"), the African Development Bank (AfDB), the World Bank Group, and other donors. MCC and Côte d'Ivoire also engaged in collaborative and inclusive consultations with a broad range of electricity sector stakeholders in Côte d'Ivoire, including local independent power producers and other private sector actors, to inform the Program's focus and design. Active consultations shall continue throughout the Compact Term to ensure the effective execution of the Program.

2. Description of Program and Beneficiaries.

(a) Program Description.

Through the Côte d'Ivoire Regional Electricity Project, as set forth below, the Program aims to increase the net quantity of electricity traded by Côte d'Ivoire on the regional market.

(b) Intended Beneficiaries.

The expansion of additional generation capacity is expected to benefit Ivorian customers, the electricity sector as well as interconnections (generation, transmission, distribution) of the utility, Côte d'Ivoire-Energies ("*CI-ENERGIES*"). Assuming that additional injections of electricity follow the same pattern of existing usage among the connected population, the shares of electricity consumption, which are the basis of estimates of benefits according to willingness-to-pay (as a proxy for potential impacts upon income) are estimated to be the following over time:

Table 1. Estimated Shares of Electricity Consumption Over Time

Connection Type	Approximate % Share of Consumption
Residential customers	39%
Non-high-tension enterprises	11%
Medium/High-tension enterprises	44%
Public lighting	6%

For 2024, the CBA estimates that residential customers (household connections) have the following distribution of income in constant 2023 values:

Table 2. Distribution of Income for Residential Customers in Constant 2023 Values

Income Interval (CFA/household/month)	Share of Electricity Consumption
I1: <CFA 99,649 (USD 164)	16%
I2: >=CFA 99,649 & < 276,802 (>=USD 164 & <USD 456)	55%
I3: >=CFA 276,802 (>=USD 456)	29%

Over time, given growth in per capita income in Côte d'Ivoire, the number of consumers in the lowest income bracket is anticipated to shrink as households move into higher income categories.

Furthermore, the present value of benefits that Côte d'Ivoire gains is estimated at \$863 million in 2023 values. Of this sum, approximately \$422 million should accrue to consumers and \$442 million to sector operators. The incremental income accruing to sector operators is expected to derive primarily from regional electricity trade.

B. DESCRIPTION OF THE PROJECT

Set forth below is a description of the Project that Côte d'Ivoire agrees to implement, or cause to be implemented, using MCC Funding and the Country Contribution to advance the applicable Project Objective. In addition, specific activities to be undertaken within the Project (each, an “*Activity*”) are set forth below.

1. Côte d'Ivoire Regional Electricity Project

The objective of the Côte d'Ivoire Regional Electricity Project is to increase the net quantity of electricity traded by Côte d'Ivoire on the regional market.

(a) Summary of Project and Activities.

(i) Support to the ECOWAS Regional Electricity Market Activity.

This Activity aims to assist ECOWAS electricity sector actors in the operationalization of Phase II of the WAPP regional electricity market (Day-Ahead Market), which seeks to enable daily trading of electricity under the Day-Ahead Market. The Day-Ahead Market shall host transactions for buying and selling electricity one day prior to the delivery day.

Strengthening the Governance of the Regional Market

This Activity aims to provide a more conducive environment for electricity trade in the regional energy market, particularly for Côte d'Ivoire as a market exporter. To do so, this Activity shall provide technical assistance to EREDA to support regulatory improvement, market monitoring, and contract enforcement. The technical assistance provided shall support EREDA in conducting market oversight and monitoring to ensure optimum market operations. This support shall include the following interventions:

- 1) implementation of the Regional Transmission Pricing Service Model (RTPM) (which EREDA is in the process of adopting);
- 2) planning of the regional market development;
- 3) development of Rules for Phase II of the Regional Electricity Market (REM);
- 4) review of detailed rules and proceedings for market surveillance;
- 5) collection of regulatory data and benchmarking;
- 6) development of the Regulatory Information Management System (RIMS);
- 7) audit of the REM; and
- 8) adoption and implementation of EREDA's dispute resolution rules.

The technical assistance shall include the following interventions:

- 1) evaluation of the performance of EREDA and the development of a performance strategy plan;
- 2) support for the implementation of the full organizational structure;
- 3) financial restructuring of EREDA;
- 4) development and implementation of the EREDA social assessment plans and strategies that support increased participation of women in the sector;
- 5) development of EREDA's communication policy and strategy; and
- 6) capacity building for EREDA's employees and technical assistance, development of courses, twinning programs, and development of regional and international regulatory cooperation.

Improving Financial Viability of the Market

This Activity aims to provide technical assistance to the Market Operations Division of WAPP's Information Control Center (ICC) in operationalizing trading and commercial operations and implementation of the RTPM. Furthermore, this Activity aims to enhance the financial viability of the market by assisting in the operationalization of the Day-Ahead Market, with a specific emphasis on the regional transmission wheeling pricing methodology, to ensure proper billing of market participants and a proper allocation of revenues for the independent regional market system operator (SMO) and EREDA. It shall also support the settlement and clearing of energy transactions for an optimal Day-Ahead Market while ensuring compliance with the market rules and procedures by market participants on the market management system (MMS).

Reinforcing Operational Capacity of Regional Market Actors

This Activity aims to conduct studies, provide equipment and tools for energy management system (EMS) upgrades, and support WAPP's cybersecurity program's implementation. The Activity also aims to support improved efficiency for WAPP's ICC Market Division through the procurement of technical assistance, software, licenses, and tools, and the implementation of WAPP's capacity building program on the regional market.

This Activity further aims to support WAPP's institutional restructuring ahead of the operationalization of the regional Day-Ahead Market, to prevent overlaps in and conflicts of interests of key reliability coordination and market operation functions. It aims to establish governance best practices for the regional electricity market by clarifying the roles and responsibilities of WAPP, the SMO, and EREDA. The support may include technical assistance for the implementation of WAPP's capacity building program on the regional market, following a successful institutional restructuring of WAPP as further detailed below.

This Activity shall also support the assessment of existing EMS equipment and recommend options for upgrading and replacing existing EMS and connected systems over time. Furthermore, the Activity shall support reliability coordination and market operations relationship management systems at EREDA, which shall include acquiring a system platform to manage the interactions and workflow between the SMO and the market participants. The support shall also enable the periodic publication of reliability coordination and market operations, which can be viewed by market participants. This platform should allow privileged access for EREDA to monitor and make necessary consultations on market operations.

The Activity shall also support WAPP's acquisition of a dashboard for WAPP's market clearance floor at the ICC, equipped with the necessary real-time transaction monitoring and invoicing systems that shall be connected and displayed in the market information room, including the back office for settlement in Calavi, Benin. This Activity shall also support the assessment of the MMS in order to optimize its functioning and cover all of its operations requirements. Operational license gaps shall be addressed through the purchase of appropriate modules or additional licenses under this Activity. This Activity shall further support the implementation of WAPP's cybersecurity strategy under the security operation center (SOC) within the ICC. Support provided by MCC Funding shall prioritize the following actions:

- building cyber-resilience infrastructure based on a robust cybersecurity foundation to mitigate viable cyber-resilience risks. Protecting the regional electricity market by enabling trust and transparency to avoid any risk of market manipulation and fraud; and
- reviewing and updating the regional cybersecurity plan to ensure compliance with applicable international standards and subsequently deploying the regional cybersecurity plan to standardize cyber security risk management at the regional level and integrate cyber protection into the market rules.

This Activity shall also support the development of a regional communication awareness plan and campaign to improve market trust. The communication awareness plan shall support all regional stakeholders in understanding the benefits and implications of the regional electricity market. It shall promote increased market participation and create an opportunity for Côte d'Ivoire to export or sell more electricity. The intervention shall also support the implementation of WAPP's communication plan by different stakeholders (e.g., policy makers, utilities, regulators, civil society, and large population audiences) and in various forms (e.g., individual/groups, physical and remote, and media).

This Activity shall support WAPP's capacity-building program in the following four areas:

- the provision of equipment and training tools. The equipment and tools shall facilitate system, market planning, and management (simulation) activities;
- training sessions for system, market operations, and management;
- capacity-building initiatives for WAPP employees over the coming years; and
- technical assistance supporting WAPP in complying with relevant ECOWAS directives addressing regional challenges as per ECOWAS strategy documents, as well as other assessments and studies, as required.

This Activity shall also build capacity and assist WAPP and ERERA to operationalize ECOWAS policies and directives designed to increase participation by both women and men in Energy Projects. This Activity shall provide technical assistance in the form of an embedded advisor for WAPP and ERERA to harmonize and strengthen relevant approaches in their respective organizations as well as across their member utilities and regulators, respectively. Areas of focus

may include updating relevant assessments for the sector, designing monitoring tools to track progress on relevant commitments in the region, strengthening capacity for planning actions, preparing training materials, and sharing knowledge on good practices in the energy sector. The embedded advisors shall also provide technical assistance and capacity building regarding pro-poor service and universal access strategies. The technical assistance shall assist WAPP and ERERA in better managing the regional electricity market as they seek to facilitate the achievement of universal access goals of their member states.

The support to ERERA and WAPP provided under this Activity shall be provided through two separate grant mechanisms. The grant mechanisms shall be governed by grant agreements between MCA-Côte d'Ivoire Regional and WAPP, and MCA-Côte d'Ivoire Regional and ERERA, under which certain reporting and/or oversight functions shall be delegated to MCC. MCC shall provide MCA-Côte d'Ivoire Regional with regular updates on the outcomes of its delegated reporting and/or oversight functions. MCC shall facilitate, to the extent feasible, engagements between MCA-Côte d'Ivoire Regional and WAPP and ERERA to conclude the discussions needed to finalize the grant agreements.

(ii) Modernizing the Grid Network in Côte d'Ivoire Activity.

This Activity aims to make targeted investments in power system tools, equipment, and infrastructure in Côte d'Ivoire in order to meet the technical and market operations requirements needed to fully participate in the regional electricity Day-Ahead Market. The Activity shall focus on upgrades to enhance the reliability and stability of the interconnected system while also catalyzing funding for a pipeline of alternative energy generation projects to ensure that sufficient energy is available for power trade.

Improving Network Operation Technologies to Comply with Market Rules

This Activity shall support upgrades to the newly installed EMS in Bingerville near Abidjan and the back-up EMS in Yamoussoukro to add the management of hydro and solar resources and plants, and to consider other manufacturer recommended upgrades as the Activity's budget permits. The upgrades may include the addition of modules that use weather measurements and data to improve the management and operation of alternative energy and intermittent generation assets, which feature prominently in Côte d'Ivoire's generation master plan. Upgrades may include a watershed management module for current and future hydropower generation plants, a new energy generation forecasting module, and associated equipment that uses the water level of the reservoirs and the information coming from meteorological stations to best forecast and fulfill the power and energy needs of the Ivorian electricity network. Furthermore, this Activity may support upgrades to cybersecurity systems and software in Côte d'Ivoire to be fully aligned with WAPP and other relevant market participants' systems.

This Activity shall also support the development and implementation of Côte d'Ivoire's operational reserve strategy to meet national and regional reserve requirement obligations under WAPP's regional electricity market grid code. The Activity shall support CI-ENERGIES in its development and implementation of an operational reserve strategy to meet domestic and regional market requirements for frequency control. In addition to financing Côte d'Ivoire's operational reserve strategy, the Activity may include financing for the following interventions:

- the installation of a remedial action scheme/special protection system;
- updates to metering plans and the provision of new remote meters and a central acquisition system to ensure the availability of accurate and real-time information essential for electricity trade;
- the development of contingency plans and financing of essential long lead time grid equipment to avoid prolonged disruptions or limitations of electricity trade;
- equipment and software upgrades needed to automate controls for key reserve units; and
- the deployment of Battery Energy Storage Systems (“**BESS**”) and associated staff training to support the provision of adequate operating power reserves.

Blended Finance Energy Program (BFEP)

This Activity aims to expand Côte d’Ivoire’s capacity to produce electricity from alternative energy sources by catalyzing a static pipeline of private investment and supporting independent power producers (IPPs) to reach financial close. The support to IPPs is expected to be provided through the Blended Finance Energy Program (“**BFEP**”), which shall award grants to project developers for project preparation, credit enhancement, and tariff subsidies in order to de-risk projects and make the projects bankable and viable for creditors and project sponsors. The BFEP shall leverage private investment to increase power production and help Côte d’Ivoire achieve its targeted alternative energy mix, bridge a fledgling transition to IPPs, and serve as a replicable and scalable blended finance mechanism that can continue beyond the Compact Term. This Activity shall establish the BFEP, which may be operated by a grants manager, to provide grants designed to relieve the biggest constraints across the four stages of the IPP project development cycle.

The four stages of the IPP project development cycle include: (i) pre-feasibility studies; (ii) feasibility studies and design; (iii) structuring/negotiating the transaction and securing financing; and (iv) achieving financial close, start of construction, and commencement of operations. The BFEP shall support two phases of the project development cycle in the following manner: (i) the provision of grants for project preparation to support selected IPPs in conducting feasibility studies and environmental and social impact assessments; and (ii) the provision of grants to selected IPPs in order to assist them in reaching financial close. The IPPs shall be selected in accordance with the BFEP Operations Manual. Feasibility studies may include some preliminary resettlement analysis, such as the development of a resettlement policy framework. The BFEP shall seek to feed deals into existing project preparation facilities or development finance institutions (DFIs) looking to invest in large-scale infrastructure projects. The Activity shall also support the provision of transaction advisory services to CI-ENERGIES to help structure IPP deals and assist the Ministry of Mines, Petroleum, and Energy, the Ministry of Finance and Budget, and CI-ENERGIES in negotiating power purchase agreements (PPAs). The BFEP grants awarded may support payment guarantee premiums for credit enhancement needed to make deals bankable for potential creditors, and as necessary, a tariff subsidy in PPAs to ensure an adequate internal rate of return (IRR) for the applicable deals to be viable for project sponsors. IPPs that benefit from the BFEP shall be selected through a transparent and competitive process based on

selection criteria outlined in the BFEP Operations Manual. The administrator of the BFEP shall be responsible for finalizing the BFEP Operations Manual, managing the grant award process, and administering the grants. Proposed project studies supported by the BFEP shall be reviewed and approved by MCA-Côte d'Ivoire Regional and MCC on an individual basis, and outputs (feasibility studies, ESIs, and similar studies) shall be reviewed by MCC and MCA-Côte d'Ivoire Regional to ensure quality deliverables. MCC and MCA-Côte d'Ivoire Regional shall explore the possibility of establishing a mechanism that allows the BFEP to integrate with other donors or philanthropic impact capital institutions for the purpose of ensuring the long-term viability of the BFEP.

(iii) Support to Côte d'Ivoire in the Regional Electricity Market Activity

This Activity aims to improve the regulatory, financial, and operational capacity of Ivorian electricity sector stakeholders, enabling them to optimize their involvement in the newly launched Day-Ahead Market.

Strengthening the Legal and Regulatory Framework

This Activity aims to provide technical assistance in regulatory improvement, contract amendments, and contract monitoring capacity. Through the provision of technical assistance, this Activity aims to enable Côte d'Ivoire to attract low or cost-efficient energy projects while mastering management costs for privately managed infrastructure. The technical assistance shall aim to support the finalization of decrees and regulations as provided by “Loi N° 2014-132 du 24 Mars 2014 Portant Code de l'Electricité,” and regional market directives, to assist Côte d'Ivoire in evaluating existing decrees as part of control and quality of service regulations, and negotiating new contracts, including PPAs, management contracts, and concessions. The technical assistance shall also support the harmonization of the various contracts, assessing the legal and regulatory frameworks to identify gaps with both the electricity code and regional regulations, and proposing regulations or amendments before developing them and assisting Côte d'Ivoire in their adoption process. The Activity shall also support developing standard contract templates, including templates for PPAs, management contracts, and concessions, and procedures for contracting new energy generation projects, as well as for contract monitoring. The technical assistance shall also involve conducting a review of existing electricity trade contracts to ensure their alignment with adjustments made to the new template's requirements.

Improving Financial Viability

This Activity's interventions aim to financially bolster Côte d'Ivoire's electricity sector to be able to compete in the regional electricity market. The Activity's interventions shall include the development of a framework (e.g., modeling tools and manuals) for electricity sector investment project selection, tariff negotiation, cost optimization and contract monitoring, and studies on the cost of service, user, and transmission rates, to attract private sector investment. The Activity shall also support the provision of a cost of service and tariff study, including a study on the appropriate viable transmission tariff, a study assessing the impact of enabling open access on the national market structure, and a study assessing the impact of Côte d'Ivoire's participation in the regional electricity market on Côte d'Ivoire's electricity sector. These studies shall aim to provide a clear picture of costs of electricity service and provide a methodology and structure for applicable tariffs

in Côte d'Ivoire. The studies shall develop a transmission tariff methodology and determine a tariff based on the national and the regional market's requirements. The deliverables shall include a modeling tool that the *Autorité Nationale de Régulation du Secteur de l'Electricité de Côte d'Ivoire* (the Ivorian electricity sector regulatory authority) ("**ANARE-CI**"), CI-ENERGIES, Ministry of Finance and Budget, and the Ministry of Mines, Petroleum, and Energy are expected to use to propose various tariff options. The Activity shall support ANARE-CI in amending existing bilateral contracts and national contracts (once the open access market is implemented) by including transmission tariffs.

Under this Activity, MCC Funding shall support the provision of studies to assess the feasibility and viability of establishing a prototype settlement system (Settlement System) to support the regional electricity market and that allows WAPP market participants (MP) to trade electricity. If deemed viable and made operational following the conclusion of the studies, the Settlement System would act as a clearinghouse for bilateral electricity trade that is commercially viable and conducted in accordance with the ERERA Resolution on Market Procedures (Chapter III & V), which provides for credit limits, invoicing, and settlements (Resolution No. 010/ERERA/17). The Settlement System would guarantee invoice payments for the purchase and sale of electricity between MPs and would focus on electricity trades between Côte d'Ivoire and other MPs, and serve as a model for a broader settlement framework. The Settlement System would offer MPs risk mitigation benefits, price transparency, and operational efficiencies.

MCC Funding shall also support the provision of studies to structure and design the Settlement System. If deemed viable and made operational, following the conclusion of the studies, MCC Funding shall support the operationalization of the Settlement System within WAPP's market operator and the Country Contribution shall support the capitalization of the Settlement System. A determination of the viability of the Settlement System shall be made by the conclusion of the second year of the Compact Term. If the Settlement System is not deemed viable, the Parties shall seek, in accordance with MCC's applicable policies and procedures, to reallocate MCC Funding allocated for supporting the operationalization of the Settlement System to support the BFEP.

This Activity shall also support the development of a framework for sourcing investments for energy projects, and cost optimization and contract monitoring for CI-ENERGIES. It shall aim to address CI-ENERGIES' need to optimize and reduce upfront and management costs through a clear framework of project sourcing, contracting, and monitoring using modeling tools. The tools shall clarify the costs of the various sources of energy projects, provide a reference for CI-ENERGIES during negotiations with the aim of optimizing or reducing the cost of electricity, and support contract monitoring.

Enhancing Operational Capacity

This Activity aims to enhance Côte d'Ivoire's performance in regional electricity trade operations. It shall provide capacity building support for Côte d'Ivoire's electricity sector institutions engaged in the regional electricity market, in order to enhance their ability to carry out their mandates and master regional market skills, support the establishment of a regional market operator, and provide technical assistance and training in the energy sector.

The capacity building support shall include: an assessment of needs; the review, updating, and development of capacity building plans; and the implementation of key training on regional electricity market practices through institutions such as the Electricity Trades Center of Bingerville (Le Centre des Métiers de l'Électricité (“**CME**”)). The capacity building support shall be provided to key energy sector entities in Côte d'Ivoire, including the Direction Générale de l'Énergie (Directorate General of Energy (“**DGE**”)), ANARE-CI, CI-ENERGIES, and the Compagnie Ivoirienne d'Électricité (“**CIE**”), with the involvement of the Ministry of National Education, Technical Education and Vocational Training. The capacity building support may include the provision of studies and/or equipment to some of the entities, as determined by WAPP.

The Activity shall also support open access market and regional trading through the operationalization of a market operator (structure, procedures, software). The Activity shall support the transformation of CIE's recently established Energy Trade Service (*Service d'Echanges d'Énergie*) by establishing a complete market structure, which shall run market operations, with the required structure, procedures, and system tools. These interventions shall support the liberalization of an open access market and integrate the Day-Ahead Market. This structure shall interact with generators, distributors, and eligible customers at the national level while also supporting WAPP's regional transactions either through bilateral contracts or the regional market operator for the Day-Ahead Market. The market structure shall interact directly with the market division at the ICC/SMO at the regional level for bilateral and Day-Ahead Market transactions. The support shall also include developing governance rules on how market operations shall be conducted at the national level and how the domestic market shall engage with the regional market.

The Activity's interventions shall support broader efforts to increase women's participation in the Ivorian energy sector. Through the provision of technical assistance, the Activity shall support the implementation of energy policies, and the promotion of women's participation in the energy sector. In doing so, the Activity shall address the number of women prepared and qualified to serve in technical and leadership positions in sector institutions through the provision of scholarships and the design and construction of a women's dormitory at the CME campus in Bingerville, Côte d'Ivoire.

Scholarships: MCC Funding shall provide scholarships to Ivorian women pursuing technical studies at two institutions: the CME located in Bingerville and the Institut National Polytechnique Félix Houphouët-Boigny (“**INPHB**”) located in Yamoussoukro. To receive the scholarships, which shall provide financial support for tuition, and room and board, the female candidates shall have passed the admissions exams for the applicable institution noted above and shall meet the selection criteria. Recognizing the importance of professional preparation for women entering traditionally male sectors, MCC Funding under this Activity shall also support the provision of technical assistance to CME to improve its professional development and internship programs.

Dormitory: MCC Funding under this Activity shall support the design, construction, and outfitting of a dormitory for female students at CME. The design and construction of the dormitory may be managed through a design, bid, build contracting mechanism. The dormitory shall resemble the other existing dormitories on campus and shall be constructed in compliance with MCC building standards, and if the Activity's budget permits following a review of the budget, the architectural designs may account for the future expansion of the dormitory after the Compact Term.

The Activity shall support the development and implementation of a strategy and action plan to increase participation of women in the energy sector in Côte d'Ivoire. The national energy institutions have taken steps to promote the representation of women in their organizations, such as assigning a focal person to work on such issues. This Activity shall provide technical assistance in the form of an embedded consultant to assess the key issues relating to female representation in the sector and to establish priorities for promoting women's participation and representation in the sector in line with the ECOWAS policy framework. This Activity shall also strengthen the capacity of entities to engage with policymakers, civil society organizations, and other stakeholders on developing and implementing a strategy for increasing female participation in the energy sector. Supporting DGE within the Ministry of Mines, Petroleum, and Energy, the technical assistance shall promote closer collaboration across units in each entity working on human resources and social issues to ensure knowledge-sharing of good practices, and alignment as each agency develops its own action plans.

(b) Environmental and Social Mitigation Measures.

According to the MCC Environmental Guidelines and Ivorian national legislation that categorizes environmental impacts of projects, the Project is classified as Category B. The Support for the ECOWAS Regional Electricity Market Activity shall have low and insignificant negative environmental and social effects. The Activity intends to help WAPP and ERERA, and their members, advance resilience in the regional energy sector.

The battery storage component under the Modernizing of the Grid Network in Côte d'Ivoire Activity may have significant environmental and social impacts. The Activity aims to build storage facilities for 150 MW/h of batteries on several identified sites. As necessary and in accordance with IFC Performance Standards and the Ivorian national environmental legal and regulatory framework, the Activity shall require the preparation and implementation of ESIA's and/or ESMPs. In the event of resettlement concerns arising from a change in site location, the Activity would necessitate the preparation and implementation of RAPs.

The Support to Côte d'Ivoire on the Regional Electricity Market Activity may have low and insignificant negative environmental and social effects. This Activity shall include a budget of \$1 million for technical assistance to CI-ENERGIES to develop an ESMS for capacity building activities to identify and manage risks and opportunities.

(c) Social Analysis

The Support to the ECOWAS Regional Electricity Market Activity aims to support the increased participation of women in the energy sector workforce. The Modernizing the Grid Network in Côte d'Ivoire Activity seeks to promote the integration of women in the sector through institutional strengthening activities and reforms to better support women as employees in the sector. The Activity aims to address the supply-side constraint of the limited number of women completing technical studies that would enable them to be employed in the energy sector. The Support to Côte d'Ivoire Regional Electricity Market Activity aims to support the increased participation of women in academic studies and in the energy sector workforce.

(d) Donor Coordination.

MCC and MCA-Côte d'Ivoire Regional shall explore the potential for collaboration with the AfDB and the World Bank Group with respect to the structuring and implementation of the Settlement System.

(e) Long-term Viability

The Support to the ECOWAS Regional Electricity Market Activity's provision of assistance to WAPP to develop the Day-Ahead Market shall enhance the regional electricity market's long-term viability. The Activity shall do so through its focus on supporting WAPP to strengthen its governance, improve the financial viability of the regional electricity market, and reinforce the operational capacity of the market. By supporting the restructuring of WAPP, that would result in an independent ICC that can generate its own revenue, it is anticipated that the WAPP Secretariat shall no longer be dependent on the international donor community to fund day-to-day functions. Furthermore, it is anticipated that once the Day-Ahead Market is operational, the ICC shall receive fees from each transaction that is conducted on the market. This revenue should allow the ICC to hire and maintain the appropriate staff, maintain and upgrade equipment and software as necessary and eventually reach Phase III, which involves a fully open, competitive, and liquid market, and provide ancillary services, which may provide additional revenue streams for power market providers with assets financed under the Compact.

Under the Modernizing the Grid Network in Côte d'Ivoire Activity, studies shall be conducted, and recommendations made to battery storage asset owners on maintenance requirements and upgrade cycle estimates to ensure the long-term viability and stabilization of Côte d'Ivoire's energy grid network.

The Support to Côte d'Ivoire in the Regional Electricity Activity relies on policy, legal, regulatory, or institutional reforms to enhance the long-term viability of Côte d'Ivoire's electricity market and participation in the regional electricity market. The Program anticipates that, with an improved legal and regulatory framework, Côte d'Ivoire should see more efficient and increased sales of electricity that shall in turn provide CI-ENERGIES with more revenue to invest in the sector. The Program further anticipates that the investments made in upgrading and properly maintaining equipment shall continue to improve the reliability and stability of the integrated network.

(f) Policy, Legal, and Regulatory Reforms.

Under the Support to the ECOWAS Regional Electricity Market Activity, a grant shall be provided to WAPP by MCA-Côte d'Ivoire Regional to support it in building institutional and technical capacity. The grant instrument, through its conditions, shall support establishing the autonomy of the ICC as the operator of the SMO within the organizational structure of the WAPP Secretariat. Such autonomy should ensure the implementation of the Resolution on Market Rules (i.e. Resolution No. 0005/ERERA/15 on the approval of market rules for the WAPP). The milestone should be completed prior to the implementation of WAPP capacity building activities, which require this necessary institutional framework adjustment. This institutional framework adjustment is critical for the independence and operations of the ICC. It should also eliminate a key conflict of interest as the SMO needs to be fully independent from the WAPP Secretariat.

Furthermore, the Support to Côte d'Ivoire in Regional Electricity Market Activity shall support the development of governance rules on how market operations shall be conducted at the national level and concerning how the domestic energy market shall engage with the regional market. The Activity shall also support the development of electricity trade contract templates.

MCA-Côte d'Ivoire Regional shall perform, on an annual basis, a review and update of the Social and Analysis Implementation Plan (SAIP), as needed, to reflect lessons learned and activity-specific analysis.

C. IMPLEMENTATION FRAMEWORK

1. MCA-Côte d'Ivoire Regional

(a) Independence and Autonomy.

MCA-Côte d'Ivoire Regional shall have operational and legal independence and full decision-making autonomy, including, inter alia, the ability, without consultation with, or the consent or approval of, any other party, to: (i) enter into contracts in its own name; (ii) sue and be sued; (iii) establish bank accounts with financial institutions in its own name and hold MCC Funding and the Country Contribution in those accounts; (iv) expend MCC Funding and the Country Contribution; (v) engage contractors, consultants and/or grantees, including, without limitation, procurement and fiscal agents, all in compliance with Section 3.6; and (vi) competitively engage one or more auditors to conduct audits of its accounts. Côte d'Ivoire agrees to include MCA-Côte d'Ivoire Regional with respect to Côte d'Ivoire's coordination of bilateral or multilateral development assistance projects related to the Program. The governance of MCA-Côte d'Ivoire Regional shall be set forth in more detail in the constitutive documents and internal regulations of MCA-Côte d'Ivoire Regional which must be in form and substance satisfactory to MCC and in accordance with any related MCC policies. MCA-Côte d'Ivoire Regional's internal operations shall be governed by its bylaws. MCA-Côte d'Ivoire Regional shall be governed by a board of directors (the “**Board of Directors**”) and managed by an operations unit (the “**Operations Unit**”).

(b) Board of Directors.

The Board of Directors shall have ultimate responsibility for the oversight, direction, and decisions of MCA-Côte d'Ivoire Regional, as well as the overall implementation of the Program. The Board of Directors shall comprise eleven voting members. As of the date hereof, the voting members of Board of Directors shall include the following representatives:

- (i) Chief of Staff of the Presidency;
- (ii) Minister of Higher Education and Scientific Research;
- (iii) Minister of Technical Education, Vocational Training and Apprenticeship;
- (iv) Minister of Finance and Budget;
- (v) Minister of Mines, Petroleum, and Energy;
- (vi) Minister of Environment, Sustainable Development and Ecological Transition;
- (vii) Minister of Economy, Planning and Development;
- (viii) Representative of the Prime Minister; and
- (ix) Three Representatives from the private sector and civil society.

The number and composition of voting members may be changed through amendments to and in accordance with MCA-Côte d'Ivoire Regional's constitutive documents and internal regulations with MCC's approval. The members of the Board of Directors may be represented by alternates appointed pursuant to the Governance Guidelines. The non-government members shall be selected in accordance with the Governance Guidelines. Non-voting members of the Board may be selected in accordance with the Governance Guidelines. In addition, MCC's resident country director or his/her designate shall serve as an observer of the Board of Directors.

(c) Operations Unit.

The operations unit ("***Operations Unit***") consists of the employees of MCA-Côte d'Ivoire Regional who have responsibility for the day-to-day activities and operation of the Program and for assisting the Board of Directors with implementing the Program. The Operations Unit shall be led by an executive team comprising the chief executive officer and the directors and officers as agreed between the Parties and further staffed with additional employees to support the executive team and enable the Operations Unit to execute its role and responsibilities. All employees of the Operations Unit shall be selected through an open, competitive, and non-discriminatory recruitment and selection process (or its equivalent), without application of any national preference laws or regulations.

2. Implementing Entities.

Subject to the terms and conditions of this Compact, the Program Implementation Agreement, and any other related agreement entered into in connection with this Compact, Côte d'Ivoire intends to engage one or more governmental entities of Côte d'Ivoire to assist with implementing one or more Projects or Activities (or a component thereof) (each, an "***Implementing Entity***"). The appointment of any Implementing Entity shall be subject to review and approval by MCC. Côte d'Ivoire shall ensure that the roles and responsibilities of each Implementing Entity and other appropriate terms are set forth in an agreement, in form and substance satisfactory to MCC (each an "***Implementing Entity Agreement***").

3. Fiscal Agent and Procurement Agent.

Unless MCC approves otherwise in writing, MCA-Côte d'Ivoire Regional shall engage a firm with expertise in financial management and reporting to serve as fiscal agent (the "***Fiscal Agent***"), and an individual or firm with expertise in public procurement and contract management to serve as procurement agent (the "***Procurement Agent***"). It is expected that the Fiscal Agent and Procurement Agent, respectively, shall assist MCA-Côte d'Ivoire Regional to ensure that all Program-related financial management activities and procurements are conducted in strict compliance with the Program Guidelines. The duties of the Fiscal Agent and Procurement Agent, respectively, shall include those set forth in the Program Implementation Agreement, as well as those set forth in the respective agreements, each in form and substance satisfactory to MCC, entered into between MCA-Côte d'Ivoire Regional and each agent.

ANNEX II

MULTI-YEAR FINANCIAL PLAN SUMMARY

A multi-year financial plan summary (“***Multi-Year Financial Plan Summary***”) for the Program is attached to this Annex II as Exhibit A. By such time as specified in the Program Implementation Agreement, Côte d’Ivoire shall adopt, subject to MCC approval, a multi-year financial plan that includes, in addition to the multi-year summary of estimated MCC Funding and the Country Contribution, the annual and quarterly funding requirements for the Program (including administrative costs) and for the Project, projected both on a commitment and cash requirement basis.

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EXHIBIT A TO ANNEX II
MULTI-YEAR FINANCIAL PLAN SUMMARY

	CFF (USD)	Year 1 (USD)	Year 2 (USD)	Year 3 (USD)	Year 4 (USD)	Year 5 (USD)	Total Budget (USD)
1 - Côte d'Ivoire Regional Energy Project							
1.1 - Support for the ECOWAS Regional Energy Activity	2,925,000	3,652,500	3,652,500	10,957,500	10,957,500	7,305,000	39,450,000
1.2 - Modernizing the Grid Network in Côte d'Ivoire Activity	8,220,000	15,528,000	15,528,000	47,334,000	47,334,000	31,556,000	165,500,000
1.3 - Support to Côte d'Ivoire in Regional Electricity Market Activity	6,800,000	3,365,000	3,365,000	10,095,000	10,095,000	6,730,000	40,450,000
Total Côte d'Ivoire Regional Energy Project	17,945,000	22,545,500	22,545,500	68,386,500	68,386,500	45,591,000	245,400,000
2 - Monitoring & Evaluation							
2.1 - Monitoring & Evaluation	600,000	100,000	100,000	300,000	100,000	1,600,000	2,800,000
Total Monitoring & Evaluation	600,000	100,000	100,000	300,000	100,000	1,600,000	2,800,000
3 - Program Administration							
3.1 - Program Administration	10,000,000	8,360,000	8,360,000	8,360,000	8,360,000	8,360,000	51,800,000
Total Program Administration	10,000,000	8,360,000	8,360,000	8,360,000	8,360,000	8,360,000	51,800,000
TOTAL MCC Funding	28,545,000	31,005,500	31,005,500	77,046,500	76,846,500	55,551,000	300,000,000
Government Contribution	-	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	22,500,000
TOTAL COMPACT BUDGET	28,545,000	35,505,500	35,505,500	81,546,500	81,346,500	60,051,000	322,500,000

ANNEX III

COMPACT MONITORING & EVALUATION FRAMEWORK

This Annex III outlines the monitoring and evaluation (“**M&E**”) framework for this Compact, which shall be further elaborated in an M&E plan (“**M&E Plan**”). The actual structure and content of the M&E Plan, which may differ from those specified in this Annex III, shall be agreed to by the Parties in accordance with the *Policy for Monitoring and Evaluation of Compact and Threshold Programs* (the “**M&E Policy**”). The M&E Plan may be modified from time to time as described in the M&E Policy without requiring an amendment to this Annex III. The M&E Plan shall be posted publicly on the MCC Website and updated as necessary.

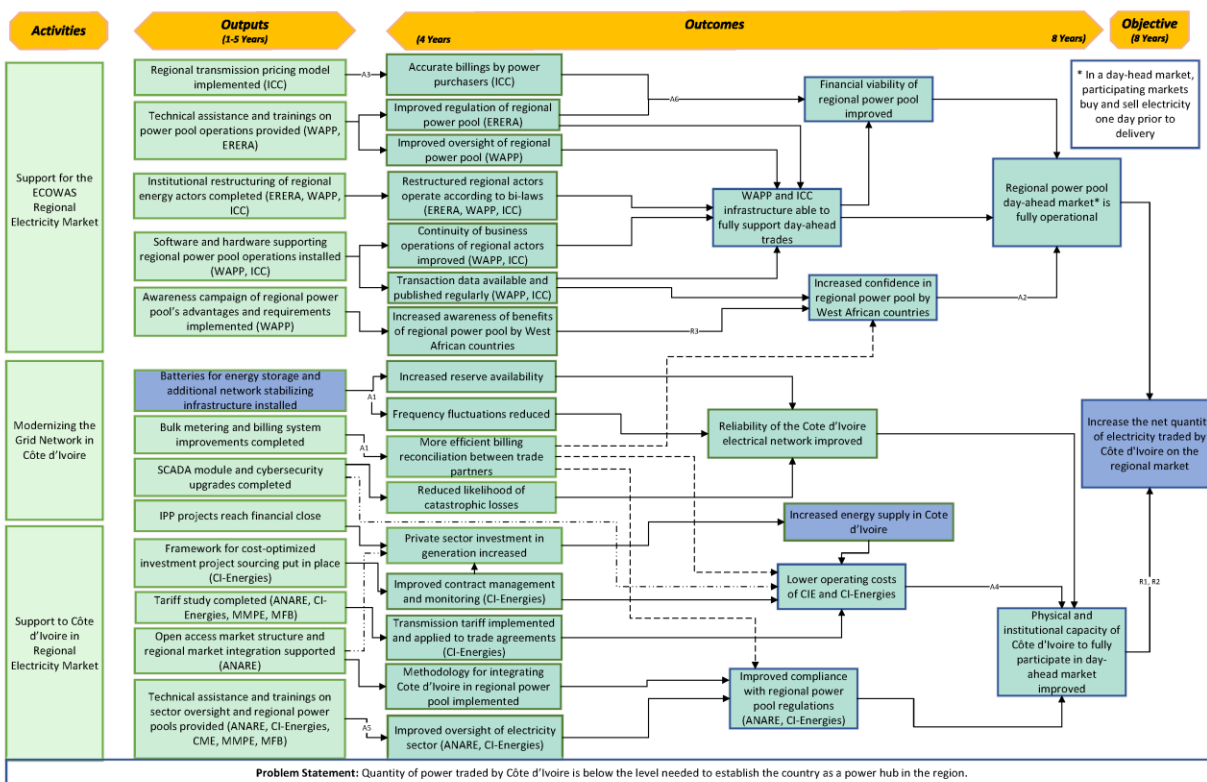
1. Objective

MCC and Côte d’Ivoire shall formulate and agree to, and Côte d’Ivoire shall implement or cause to be implemented, an M&E Plan that explains in detail how and what MCC and MCA-Côte d’Ivoire Regional shall (i) monitor to determine whether the Project is on track to achieve its intended results (“**Monitoring Component**”) and (ii) evaluate the achievement of intended results for accountability and learning (“**Evaluation Component**”). The M&E Plan shall summarize all Indicators that must be reported to MCC on a regular basis, as well as the Indicators and complementary data to be collected for evaluation of the Program. The M&E Plan shall also include any M&E requirements that MCA-Côte d’Ivoire Regional must meet in order to receive Disbursements and shall serve as a communication tool so that MCA-Côte d’Ivoire Regional staff and other stakeholders clearly understand the Project Objective and Targets that MCA-Côte d’Ivoire Regional is responsible for achieving. The results of M&E activities, measured by monitoring data and evaluations, shall be made publicly available on the website of MCA-Côte d’Ivoire Regional and on the MCC Website.

2. Project Logic Diagram

The M&E approach for the Project is built on the project logic diagram, which illustrates the cause-and-effect theory of how a Project’s interventions work together to achieve the Project Objective and details key intermediate results expected along the way. The project logic diagram provides a graphical representation of the Côte d’Ivoire Regional Electricity Project as described in Section B of Annex I of this Compact and of the impacts targeted by said Project as described below in the section titled *Projected Economic Benefits and Beneficiaries*.

The objective of the Côte d’Ivoire Regional Electricity Project is to increase the net quantity of electricity traded by Côte d’Ivoire on the regional market. This is expected to be achieved through the fulfillment of three activities the: (i) Support to the ECOWAS Regional Electricity Market Activity; (ii) Modernizing the Grid Network in Côte d’Ivoire Activity; and (iii) Support to the Côte d’Ivoire in the Regional Electricity Market Activity. The project logic diagram for the Project is as follows:



* Dark blue boxes indicate results that overlap with the CBA.

** The dotted lines are designed to facilitate the ability to follow the arrows. They are not intended to reflect a lower level of certainty with respect to these causal links.

The assumptions and known risks for the Côte d'Ivoire Regional Electricity Project are described below. The numbers provided in the list below correspond to those listed in the figure above.

- R1: Ivorian installed generation capacity is not sufficient to increase the quantity of electricity it trades, particularly if it prioritizes expanding access to rural Côte d'Ivoire.
- R2: Other countries within the West African Power Pool sell energy at a lower rate, thereby reducing the ability of Côte d'Ivoire to participate in trade.
- A1: New and upgraded infrastructure equipment is operated within its technical design specifications and sufficiently maintained such that the equipment lasts without need for replacement during its average design life.
- A2: West African countries' increased confidence translates into support of the regional power pool model, increased participation in the power pool, and the ability to conduct day-ahead trading.
- A3: Power purchasers have sufficient resources to provide timely and accurate payments.
- A4: Côte d'Ivoire passes along cost savings from improved contract management and metering to the cost of electricity available for purchase.
- A5: Regulatory reforms are implemented with stakeholder buy-in and continue to be adhered to following the Compact Term.

- A6: Once regulations are adopted, compliance by the individual countries that participate in the regional power pool will follow.
- R3: Increased awareness of the regional power pool leads to resistance to or increased concerns about the viability of the regional market, rather than increased confidence in the market.

3. Projected Economic Benefits and Beneficiaries

The economic analysis of the Compact program aligns with the theory reflected in the project logic diagram. It consists of a CBA, which is summarized by an ERR, and a beneficiary analysis. The economic analysis informs the Indicators for the Project and is summarized below.

3.1. Projected Economic Benefits

The CBA is completed to determine whether project costs are justified by the estimated economic benefits that can be directly attributed to the Project. The underlying economic logic of the CBA model follows the project logic diagram depicted above. Additionally, several of the variables included in the model become key Indicators to monitor the Project and evaluate whether the Project achieved its objective as set forth in Section 1.2 of this Compact, as well as determining its cost effectiveness. The model includes estimated benefits and the total estimated costs to reach those intended benefits, whether costs are incurred by MCC, Côte d'Ivoire, another donor, or another entity. These are typically examined over a 20-year period, unless noted otherwise.

The table below provides a summary of the estimated ERRs for the Côte d'Ivoire Regional Electricity Project. The text following the table describes the general methodology and logic of the CBA model(s), as well as the key benefit streams, costs, assumptions, and risks for each of the calculated ERRs.

Table 3.1 Estimated Compact Program Economic Performance

Project/Activity	Estimated Economic Rates of Return
Compact total accounting only benefits for Côte d'Ivoire	18%
Compact total accounting benefits for Côte d'Ivoire and regional trade	33%

The economic analysis undertook the assessment of the Compact as an integrated program. Both institutional and infrastructure elements interact to support enhancing the ability of Côte d'Ivoire to trade within the WAPP platform: it is not possible to identify independent contributions of each toward increased trade. For this reason, there is one ERR estimate and not multiple values relating to individual activities.

The analysis considered two possible channels for benefits accruing to Côte d'Ivoire from its engagement in program investments: incremental value added associated with improvements to the quantity and quality of service of domestic power supply as Côte d'Ivoire augments its capacity to engage fully in WAPP trading, and value add generated from trade itself. To the extent that program interventions imply reductions in loss of load or physical losses in the transfer of electricity, the analysis applied estimates of willingness-to-pay to value impacts on end users and value added earned in the generation, transmission, and distribution of energy. The estimation of income accruing to Côte d'Ivoire through increased trade within the subregion entailed assessing the value of earnings that are gained in generation and transmission. The analysis also estimated the potential benefits for the trading partners of Côte d'Ivoire resulting from reductions in the cost of supplying power in those countries.

An indicative ERR for the program following this approach is estimated to be 18 percent while assessing benefits only for Côte d'Ivoire. Considering that its principal importers can purchase electricity from Côte d'Ivoire at a price that is approximately \$0.08 less per kilowatt-hour than the cost of generating electricity within their borders, the ERR for the program as an intervention having regional impacts is estimated at 33 percent. These outcomes assume that the program largely addresses remaining institutional and physical constraints inhibiting the full participation of Côte d'Ivoire in the Program and the condition of infrastructure beyond the borders of Côte d'Ivoire will not be restrictive after the Compact Term.

3.2. Projected Program Beneficiaries

The M&E Plan shall also document the analysis conducted to identify the persons or entities expected to benefit from the Program. Beneficiary analysis is an extension of the CBA and seeks to disaggregate the total benefits to determine specifically which segments of society shall benefit from the Project and Activities. MCC considers beneficiaries of the Project and Activities to be those people who experience better standards of living as a result of the Project or Activities through higher real incomes. For definitional purposes, it is important to note that not all MCC project participants are necessarily project beneficiaries. The numbers of expected beneficiaries of this Compact in the long run—here considered to be the population having network access to electricity as of 2031—are shown in the following table. The text below the table provides a description of the beneficiaries.

Table 3.2 Estimated Compact Program Beneficiaries (2031)

Project/Activity	Estimated Population
Total long-run beneficiaries in Côte d'Ivoire	37.0 million
Total long-run beneficiaries outside Côte d'Ivoire	30.6 million

The economic analysis accounted for benefits in both Côte d’Ivoire and its principal sub-regional electricity importers. To the extent that the Program successfully implements conditions in Côte d’Ivoire that induce the development of incremental generation capacity, primary beneficiaries are Ivorian customers as well as the unbundled sector services (transmission, distribution, generation) of the utility, CI-ENERGIES. As of 2023, the connected population was estimated to be about 20 million, which will grow to 37.0 million in 2031.¹ Assuming that additional injections of electricity follow the same pattern of existing usage among the connected population, the shares of electricity consumption, which are the basis of estimates of benefits according to willingness-to-pay (as a proxy for potential impacts upon income) are estimated to be the following over time:

Table 3.3 Estimated Shares of Electricity Consumption Over Time

Public lighting	Connection Type	Approximate % Share of Consumption
	Residential customers	39%
	Non-high-tension enterprises	11%
	Medium/High-tension enterprises	44%
	Public lighting	6%

Over time, given growth in per capita income in Côte d’Ivoire, the number of consumers in the lowest income bracket can be expected to shrink as households move into higher income categories.

A number of new connections among households that presently do not have access (falling into the lowest income category) are expected to be included in the number of subscribers. In 2023, the supply rate was approximately 64 percent, meaning that approximately 36 percent of the population remain unconnected. Overwhelmingly, these households are in rural areas (a population of approximately 9 million, or about 1.8 million households with 5 people each). It is not currently possible to estimate how many unconnected households might benefit from incremental generation capacity. This shall depend upon how quickly investments in expanding access can be undertaken by Côte d’Ivoire and other stakeholders. Higher levels of incremental electricity supply can accommodate higher building out of new access.

To provide a sense of the scale of the potential incremental supply of electricity considered within the CBA that may come online as a result of the Compact, approximately 920 GWh would be sufficient to supply approximately 840,000 households annually, given present average household consumption across all incomes (consuming on average approximately 90 kWh per month). For low-income households, however, monthly consumption is closer to 45 kWh per month. This

¹ These figures are estimates of the connected population as of 2023, and the projected population at 2031. The poorest consumers are 16 percent of the connected population, the mid-level income consumers are 55 percent of the connected population, while the remaining 29 percent of those connected are among the wealthy.

means that the scale of the expected incremental supply of electricity would be equivalent to accommodating the consumption of approximately 1.7 million rural, low-income households, which would be nearly equal to the population currently without access, which is approximately 9 million people. Presently, the Government of Côte d'Ivoire aspires to expand access so that by the year 2031, approximately 97 percent of the population will be connected to electricity. This amounts to a total of 37 million beneficiaries if rural infrastructure and generation capacity development generally proceed as planned, as illustrated in the table that appears above.

On a system-wide basis, when incremental generation addresses constrained supply, or when loss of load is avoided, potential beneficiaries are existing customers connected to the grid within the impact period of the program investments. For the purposes of the analysis, this is assumed to be five years following the end of the Program (Côte d'Ivoire, therefore, is meeting the export targets of its master plan by 2035). The average connected population within five years following the completion of the Compact Term is estimated to be about 40 million.

Apart from consumers, sector operators and the Government of Côte d'Ivoire (through tax revenues) can be expected to be the primary beneficiaries within Côte d'Ivoire, under the Program, through incremental sales of electricity domestically and abroad. The income accruing to sector operators includes staff wages (estimated at 44-54 percent) and additions to free cash that can contribute to capital re-investment, new capital expansions (including access), and offset government subsidization of operations. This is critical to improve and maintain quality of service among all customers. The connected population can therefore become derivative beneficiaries of improvements to the financial security of the operators within the sector, and the resources at their disposal. This CBA is not able to assess these causal implications.

Under the base case of the CBA for the Program, the present value of benefits that Côte d'Ivoire gains is estimated at \$863 million in 2023 values. Of this sum, approximately \$422 million would accrue to consumers, and \$442 million to sector operators through trading in the regional market. The present value of average benefits for the importers of Côte d'Ivoire's electricity is estimated to amount to approximately \$720 million over the twenty-year period of the analysis.

4. Monitoring Component

As defined in the M&E Policy, monitoring is the continuous, systematic collection of data on specified Indicators to measure progress toward the Project Objective and the achievement of intermediate results. The Monitoring Component of the M&E Plan summarizes the monitoring strategy to monitor progress toward achieving the results of this Compact, which requires identifying the: (i) Indicators; (ii) definitions of the Indicators; (iii) Baselines and Targets; (iv) sources and methods for data collection; (v) frequency for data collection; (vi) reporting requirements, including the party or parties responsible for collecting, analyzing, and reporting relevant data, along with the process and timeline for reporting on each Indicator to MCC; and (vii) approach to assessing and ensuring data quality. It should be noted that some Indicators continue to be tracked after the Compact Term, as necessary.

4.1. Indicators. The M&E Plan shall measure the results of the Program using quantitative or qualitative variables that provide a simple and reliable means to measure achievement of targeted results ("*Indicators*").

4.1.1. Definitions.

The M&E Plan shall establish definitions for every Indicator. Indicator definitions should be operationally precise, such that they can be consistently measured across time and by different data collectors. There should be no ambiguity about what is being measured, how to calculate it, what or who the sample is, or how to interpret the results.

4.1.2. Baselines.

The M&E Plan shall document baselines for every Indicator (each a, “**Baseline**”). An Indicator’s Baseline should be established prior to the start of the Project and the corresponding Activity. Baselines demonstrate that the problem can be specified in measurable terms and thus are a pre-requisite for adequate intervention design. MCA-Côte d’Ivoire Regional shall collect Baselines on the selected Indicators or verify already collected Baselines where applicable.

4.1.3. Targets.

The M&E Plan shall document for each Indicator the expected value and the expected time by which the corresponding result shall be achieved (“**Target**”).

4.1.4. Disaggregation of Indicators.

The M&E Plan shall indicate which Indicators shall be disaggregated by sex, income level, age, and other relevant subgroups to the extent practical and applicable.

4.1.5. Indicator Levels.

The M&E Plan shall include Indicators at the following levels: outcome, output, process, and risk/assumption, as defined in the M&E Policy.

4.1.6. Common Indicators.

MCC’s Common Indicators (as described in the M&E Policy) shall also be included as relevant. Additional guidance on Indicator reporting is contained in the *Guidance on Common Indicators*.

4.1.7. Modifications of Indicators and Targets.

Subject to prior written approval from MCC and in accordance with the M&E Policy, MCA-Côte d’Ivoire Regional may add or retire Indicators or refine the definitions, Targets, or other aspects of existing Indicators.

4.1.8. Indicator Tracking Table.

MCA-Côte d’Ivoire Regional must report to MCC on the monitoring of Indicators in the M&E Plan on a quarterly basis using an Indicator Tracking Table (“**ITT**”) in the form provided by MCC. No changes to Indicators, Baselines or Targets may be made in the ITT until the changes have been approved in accordance with the M&E Policy. Additional guidance on indicator reporting is contained in the *QDRP Policy* and the *Guidance on the Indicator Tracking Table*.

The M&E Plan shall contain the monitoring Indicators listed in Table 3.4.

5. Evaluation Component

While good program monitoring is necessary for program management, it is not sufficient for assessing the achievement of intended results. MCC therefore requires the use of evaluation as a complementary tool to better understand the effectiveness of its programs. As defined in the M&E Policy, evaluation is the objective, systematic assessment of a program's design, implementation, and results. MCC is committed to making its evaluations as rigorous as warranted in order to understand the causal impacts of its programs on the expected outcomes.

5.1. Independent Evaluations. Every Project must undergo a comprehensive, independent evaluation in accordance with the M&E Policy. The Evaluation Component of the M&E Plan shall describe the purpose of the evaluation, methodology, timeline, required MCC approvals, and the process for collection and analysis of data for each evaluation. All independent evaluations must be designed and implemented by independent, third-party evaluators.

For each independent evaluation, MCA-Côte d'Ivoire Regional (or, after the Compact Term, such other entity of Côte d'Ivoire designated to support post-program M&E activities) is expected to review and provide feedback to independent evaluators on the evaluation materials and reports in order to ensure proposed evaluation activities are feasible, and final evaluation products are technically and factually accurate. The results of all evaluations shall be made publicly available in accordance with the M&E Policy.

The following evaluation is planned for the Program:

The Côte d'Ivoire Regional Electricity Project is expected to be evaluated through a performance evaluation relying on pre-post analysis to understand the quality and effectiveness of the policy reforms and infrastructure support provided at the national and regional levels on the net quantity of electricity traded by Côte d'Ivoire. Along with the Indicators listed in Table 3.4 which comprise the results to be measured and/or analyzed by the evaluation, the following questions shall guide the design of the evaluation:

1. To what extent was the Project implemented according to plan (in terms of quantity and quality of outputs)?
2. Did the Project increase the net quantity of electricity traded by Côte d'Ivoire on the regional market in the timeframe and magnitude expected, as documented in the M&E Plan? Why or why not?

To facilitate the evaluation, the Government shall share with MCC any necessary data, documentation, or other information required to assess the achievement of results targeted by the Program. All such information provided by the Government for evaluation purposes shall be de-identified and/or generalized in reporting, such that sensitive details shall not be made public in accordance with the *Guidelines for Transparent, Reproducible, and Ethical Data and Documentation* (TREDD). More detailed information on required data sources to be provided by the Government shall be set forth in the M&E Plan.

6. Data Quality Reviews.

Data Quality Reviews (“**DQR**”) are a mechanism to review and analyze the quality and utility of performance information. They cover all data reported in the ITT, and all primary sources that feed into that reporting. DQRs may be conducted internally by MCA-Côte d’Ivoire Regional and MCC M&E staff, or by a third-party. DQRs should review data against the following standards: accuracy, consistency, timeliness, and transparency. The frequency and timing of DQRs must be set forth in the M&E Plan; however, in addition to a pre-implementation DQR, at least one DQR is required during implementation, and MCC may request a DQR at any time. DQRs should be timed to occur once the ITT reflects several quarters of reporting but early enough in the Compact Term that meaningful remedial measures (if any) may be taken depending on the results of the review.

7. Other Components of the M&E Plan.

In addition to the monitoring and evaluation components, the M&E Plan shall include the following components:

7.1. Implementation and Management of M&E.

7.1.1. Review and Modification of the M&E Plan.

This section describes the approach to ensuring the M&E Plan is kept as current as possible, including how often the M&E Plan is expected to be reviewed and modified in accordance with the M&E Policy. All major modifications and the justifications therefore are documented in an annex to the M&E Plan and must be submitted to and approved by the board of directors of MCA-Côte d’Ivoire Regional. All M&E Plan modifications, whether major or minor, proposed by MCA-Côte d’Ivoire Regional must be submitted to MCC for prior written approval.

7.1.2. Post Compact Responsibilities.

Evaluation activities under the M&E Plan are expected to continue beyond the end of the Compact Term and MCA-Côte d’Ivoire Regional shall identify the individuals and organizations within the Government that shall support these activities through completion. This section describes the M&E responsibilities of MCA-Côte d’Ivoire Regional during the Program’s closure period and of MCC, the Government, and any other relevant entities after the Program has ended.

7.1.3 Budget.

The budget for implementing the proposed M&E activities for the term of the Program is set forth in Annex II to this Compact. The M&E budget does not include costs for the salaries of the M&E staff in MCA-Côte d’Ivoire Regional or field visits, both of which are included in the administrative budget of the Program.

8. Responsibility for Developing the M&E Plan.

Responsibility for developing the M&E Plan lies with the M&E Director of MCA-Côte d'Ivoire Regional with support and input from MCC's M&E and economic staff. MCA-Côte d'Ivoire Regional leadership and sector leads, Government stakeholders, the MCC Resident Country Mission in Côte d'Ivoire, and other MCA-Côte d'Ivoire Regional and MCC staff (such as cross-cutting leads) shall assist with the development of the M&E Plan. MCC and MCA-Côte d'Ivoire Regional Project/Activity leads are expected to: (i) guide the selection of Indicators for results that do not yet have an associated Indicator; (ii) support the refinement of indicator information; and (iii) review the Baseline and Target for each Indicator.

9. Approval and Implementation of the M&E Plan.

The approval and implementation of the M&E Plan, as modified from time to time, shall be in accordance with the Program Implementation Agreement, any other relevant Supplemental Agreement and the M&E Policy and associated guidance documents. The M&E Plan may undergo peer review within MCC before the beginning of the formal approval process.

The table below lists the preliminary set of monitoring and evaluation Indicators linked to each result in the project logic diagram. Indicators that can be reported on at least an annual basis shall be included in quarterly monitoring indicator reports, while Indicators that require survey data or a longer time period to track shall be included in evaluation reports.

Table 3.4 Côte d'Ivoire Regional Energy Project Indicators

Project Logic Result	Indicator	Definition	Unit	Baseline	Final Target	ITT Indicator (Y/N)
Outcome Indicators						
<u>Project Objective:</u> Net quantity of electricity traded by Côte d'Ivoire on the regional market increased	Total electricity traded by Côte d'Ivoire	<p>The total megawatt hours of electricity exported or imported by the Government of Côte d'Ivoire to or from foreign entities per calendar year.</p> <p>Disaggregated by Trade type (Exports, Imports)</p>	Megawatt hours	<p>Value: 1,205,400</p> <p>Exports: 938,600</p> <p>Imports: 266,800</p> <p>Year: 2022</p> <p>Source: Compte rendu technique annuel, p.8.</p>	<p>Value: 3,161,000</p> <p>Exports: 2,911,000</p> <p>Imports: 250,000</p> <p>Year: CED + 3</p> <p>Source: CBA, Sheet "CIVProdDemand", Cell N219.</p>	Y
Physical and institutional capacity of Côte d'Ivoire to fully participate in Day-Ahead	TBD A specific indicator will be defined once the parameters for "fully participate" have been identified	TBD	TBD	TBD	TBD	TBD

Project Logic Result	Indicator	Definition	Unit	Baseline	Final Target	ITT Indicator (Y/N)
Market improved						
Lower operating costs of CIE and CI-ENERGIES	(P-24) Operating cost-recovery ratio	Total revenue collected / Total operating cost. Total operating cost is defined as operating expenses plus depreciation.	Percentage	TBD	TBD	Y
Increased confidence in regional power pool by West African countries	ECOWAS member states' perception of West African regional power pool	Percentage of representatives from ECOWAS member states that state they have a 'very good' or 'good' perceptions of the West African regional power pool. This assessment will be conducted qualitatively through a survey.	Percentage	TBD Baseline will be taken from baseline survey for evaluation	TBD	N
Support for the ECOWAS Regional Energy Market Activity						
Regional power pool Day-Ahead Market is fully operational	TBD A specific indicator will be defined once the parameters for "fully operational" have been identified	TBD	TBD	TBD	TBD	TBD

Project Logic Result	Indicator	Definition	Unit	Baseline	Final Target	ITT Indicator (Y/N)
Financial viability of regional power pool improved	Operating cost-recovery ratio of West Africa Power Pool	Total revenue collected by West Africa Power Pool through the ICC / Total operating cost of the ICC. Total operating cost is defined as operating expenses plus depreciation.	Percentage	Value: 0 Year: 2024	Value: 100 Year: CED + 3 Source: Indicator Tables_PIR Input; Cell X10	Y
WAPP and ICC infrastructure able to fully support day-ahead trades	TBD A specific indicator will be defined once the parameters for “fully support” have been identified	TBD	TBD	TBD	TBD	TBD
Accurate billings by power purchasers (ICC)	Billing accuracy rate	Percentage of accurate invoices generated within the year.	Percentage	TBD	TBD	TBD
Accurate billings by power purchasers (ICC)	Billing cycle time	Average time taken to complete the billing process from start to finish.	Days	TBD	TBD	TBD
Improved regulation of	TBD An indicator will be	TBD	TBD	TBD	TBD	TBD

Project Logic Result	Indicator	Definition	Unit	Baseline	Final Target	ITT Indicator (Y/N)
regional power pool (ERERA)	developed once improved regulation is sufficiently defined. This indicator is expected to be an index derived from the Regulatory Substance Index calculated by the African Development Bank but adapted to apply to a regional entity.					
Improved oversight of regional power pool (WAPP)	TBD An indicator will be defined once the specific technical assistance to be provided is identified.	TBD	TBD	TBD	TBD	TBD
Restructured regional actors operate according to bylaws (ERERA, WAPP, ICC)	TBD An indicator will be defined that will assess the performance of each regional entity against its published bylaws once the study identifying recommendations for	TBD	TBD	TBD	TBD	TBD

Project Logic Result	Indicator	Definition	Unit	Baseline	Final Target	ITT Indicator (Y/N)
	clarifying the entities' roles is completed.					
Continuity of business operations of regional actors improved (WAPP, ICC)	TBD An indicator will be defined to measure the change in business operations once the specific outputs intended to improve operations are defined.	TBD	TBD	TBD	TBD	TBD
Transaction data available and published regularly (WAPP, ICC)	Market transaction data published	Quarters in which market transaction data taken from the Market Relationship Management System is published. This is a binary indicator, with a value of one for quarters where data is published at least once and a value of zero otherwise.	Number	Value: 0 Year: EIF	TBD	Y
Increased awareness of benefits of regional power pool by West African countries	ECOWAS member states' understanding of the regional power pool	Percentage of representatives from ECOWAS member states that have a satisfactory knowledge of the benefits of engaging	Percentage	TBD Baseline will be taken from baseline	TBD	N

Project Logic Result	Indicator	Definition	Unit	Baseline	Final Target	ITT Indicator (Y/N)
		in trade through a regional power pool. This assessment will be conducted qualitatively through a survey.		survey for evaluation		
Modernizing the Grid Network in Côte d'Ivoire Activity						
Reliability of the Côte d'Ivoire electrical network improved	Total unserved energy due to generation outages	Estimation of all unserved energy from generation outages in the Côte d'Ivoire electrical network. Unserved energy is the amount of customer demand that cannot be supplied due to an outage.	Megawatt hours	Value: 34,820 Year: 2022 Source: Rapport Annuel Qualité de Produit. CIE. p. 2.	TBD	Y
Increased energy supply in Côte d'Ivoire	Total electricity supply produced domestically ²	Total electricity, in megawatt hours, produced domestically in a year.	Megawatt hours	Value: 12,147,900 Year: 2022	Value: 23,975,000 Year: CED + 3	Y

² To facilitate common indicator reporting, the Compact will also report on (P-15) Total electricity supply, which is the sum of “Total electricity supply produced domestically” and “Total electricity imported by Côte d'Ivoire.” It is not included in this table as it is a sum of separate results rather than being a results indicator itself.

Project Logic Result	Indicator	Definition	Unit	Baseline	Final Target	ITT Indicator (Y/N)
		Disaggregated by Plant ownership (Independent Power Producer / Government-owned)		Source: Compte rendu technique annuel, p.5.	Source: CBA, Sheet "CIVProdDemand", Cell N275.	
Increased reserve availability	Reserve adequacy	Megawatts of electricity reserve capacity available in the Government of Côte d'Ivoire network.	Megawatts	TBD	TBD	Y
Frequency fluctuations reduced	Frequency stability	[Number of hours during which the frequency level is inside the WAPP criteria (between 49.8 and 50.2 Hz) / number of hours during the period] X 100.0.	Percentage	Value: 75.15 Year: 2022 Source: Taux de Variation de la Fréquence RECAP 2018-2022 - WAPP; Cell F16.	TBD	Y
More efficient billing reconciliation	TBD An indicator will be developed once the	TBD	TBD	TBD	TBD	TBD

Project Logic Result	Indicator	Definition	Unit	Baseline	Final Target	ITT Indicator (Y/N)
between trade partners	specific billing inefficiencies the improved metering system will target are better defined.					
Reduced likelihood of catastrophic losses	Mean time to resolve	Average amount of time it takes to resolve security incidents from detection to complete resolution divided by the total number of security incidents detected.	Number	TBD	TBD	Y
Private sector investment in generation increased	Share of generation capacity managed by private sector	Megawatts of generation capacity owned by an independent power producer / Total megawatts of generation capacity available in Côte d'Ivoire.	Percentage	Value: 0.02 Year: 2022 Source: Compte rendu technique annuel, p.5.	TBD	Y
Support to Côte d'Ivoire on the Regional Energy Market Activity						
Improved compliance with regional power pool regulations	Regulatory governance index	Index assessing the institutional and legal design of the regulatory framework, within	Index	Value: 0.84 Year: 2022	TBD A target will be developed calculated from the RGI of a	Y

Project Logic Result	Indicator	Definition	Unit	Baseline	Final Target	ITT Indicator (Y/N)
(ANARE-CI, CI-ENERGIES)		which the regulator's mandate is established. Calculated annually by the African Development Bank.		Source: Electricity Regulatory Index for Africa 2022; p. 82.	theoretical country that completely complies with regional regulations	
Improved compliance with regional power pool regulations (ANARE-CI, CI-ENERGIES)	Regulatory substance index	Index assessing how well the electricity sector regulators are carrying out their mandate by developing and implementing the practices and processes that affect regulatory outcomes. Calculated annually by the African Development Bank.	Index	Value: 0.72 Year: 2022 Source: Electricity Regulatory Index for Africa 2022; p. 82.	TBD A target will be developed calculated from the RSI of a theoretical country that completely complies with regional regulations	Y
Improved contract management and monitoring (CI-ENERGIES)	TBD A specific indicator will be defined to monitor improved contract management once the cost-optimization framework and associated tools have been drafted	TBD	TBD	TBD	TBD	TBD

Project Logic Result	Indicator	Definition	Unit	Baseline	Final Target	ITT Indicator (Y/N)
Transmission tariff implemented and applied to trade agreements (CI-ENERGIES)	Percent of bilateral trade agreements with transmission tariff amendment	<p>Numerator: Number of bilateral energy trade agreements in which the transmission tariff has been amended to the agreement, which has been ratified by both governments.</p> <p>Denominator: Total number of bilateral trade agreements made by the Government of Côte d'Ivoire.</p>	Percentage	<p>Value: 0</p> <p>Source: EIF</p>	<p>Value: 100</p> <p>Year: TBD</p> <p>Source: Investment Memo, Section F.1.a.2.1</p>	Y
Methodology for integrating Côte d'Ivoire in regional power pool implemented	TBD A specific indicator will be defined once the study assessing open access market structure and regional market integration is completed.	TBD	TBD	TBD	TBD	TBD
Improved oversight of electricity sector (ANARE-CI, CI-ENERGIES)	TBD A specific indicator or indicators will be defined once the	TBD	TBD	TBD	TBD	TBD

Project Logic Result	Indicator	Definition	Unit	Baseline	Final Target	ITT Indicator (Y/N)
	technical assistance that is expected to lead to improved oversight is defined. This may include Electricity regulatory index.					
Output Indicators						
Support for the ECOWAS Regional Energy Market Activity						
Regional transmission pricing model implemented (ICC)	Regional transmission pricing model implemented	Date the regional transmission pricing model and the first tariff calculated with the detailed model is published.	Date	N/A	TBD	Y
Technical assistance and trainings on power pool operations provided (WAPP, ERERA)	TBD A specific indicator will be defined to monitor the technical support provided to ERERA once the strategy plan has been developed	TBD	TBD	TBD	TBD	TBD
Technical assistance and trainings on power pool operations provided	Investment provided to WAPP to support system and market planning management tools and technical studies	Number of functional investments made to WAPP for system and market planning and management tools and technical studies. The	Number	Value: 0 Year: EIF	Value: 9 Year: TBD Source: Investment Memo, Section D.1.a.3.8	Y

Project Logic Result	Indicator	Definition	Unit	Baseline	Final Target	ITT Indicator (Y/N)
(WAPP, ERERA)		Compact anticipates investing in 6 tools and 3 studies and investments will be recorded once the specific tool or study has been completed and accepted by the Compact.				
Technical assistance and trainings on power pool operations provided (WAPP, ERERA)	Electricity sector stakeholders trained on system and market operations and management	The number of electricity stakeholders that have been trained on system and market operations and management that has been funded by the Compact. At a minimum, the Compact expects to fund a series of trainings of WAPP personnel.	Number	Value: 0 Year: EIF	TBD	Y
Institutional restructuring of regional energy actors completed (ERERA, WAPP, ICC)	TBD This indicator will be defined once the study providing specific restructuring	TBD	TBD	TBD	TBD	TBD

Project Logic Result	Indicator	Definition	Unit	Baseline	Final Target	ITT Indicator (Y/N)
	recommendations has been completed					
Software and hardware supporting regional power pool operations installed (WAPP, ICC)	Software and hardware upgrades installed and functional	Date on which the final software or hardware planned to be funded by the Compact for regional actors is accepted as functional. Specific planned upgrades include: (i) SCADA system; (ii) cyber-resilient infrastructure; (iii) a Market Relationship Management System; (iv) ICC Market Dashboard; and (v) various software licenses and tools for the Market Management System.	Date	N/A	TBD	Y
Awareness campaign of regional power pool's advantages and requirements implemented (WAPP)	TBD This indicator will be defined to monitor the implementation of the awareness campaign once the specific elements of the	TBD	TBD	TBD	TBD	TBD

Project Logic Result	Indicator	Definition	Unit	Baseline	Final Target	ITT Indicator (Y/N)
	campaign are more fully identified.					
Modernizing the Grid Network in Côte d'Ivoire Activity						
Batteries for energy storage and additional network stabilizing infrastructure installed	Battery storage systems installed	Number of battery storage systems installed that have been paid for by compact funding.	Number	Value: 0 Source: EIF	Value: 3 Year: TBD Source: Investment Memo; Section E.1.A.Intervention 5	Y
Batteries for energy storage and additional network stabilizing infrastructure installed	Automatic Generation Control upgrades completed	Date on which all Automatic Generation Control upgrades are completed and deployed.	Date	N/A	TBD	Y
Batteries for energy storage and additional network stabilizing infrastructure installed	TBD An indicator will be developed to monitor the Remedial Action Scheme once the study to design the Special Protection System is completed	TBD	TBD	TBD	TBD	Y
Bulk metering and billing system	Meters installed	Number of energy meters installed and connected to the central system in	Number	Value: 0 Year: EIF	Value: 580 Year: TBD	Y

Project Logic Result	Indicator	Definition	Unit	Baseline	Final Target	ITT Indicator (Y/N)
improvements completed		accordance with the metering code regulations with compact funding.			Source: Investment Memo; Section E.1.A.Intervention 3	
SCADA module and cybersecurity upgrades completed	SCADA system upgraded	Date on which all planned upgrades for the hydroelectric and solar modules, as well as the Priority 2 cybersecurity upgrades are completed, and SCADA system is handed over to the Government of Côte d'Ivoire.	Date	N/A	TBD	Y
IPP projects reach financial close	Energy projects that have reached financial close	Number of Independent Power Producer energy projects that have reached financial close as a result of compact-provided technical support.	Number	Value: 0 Year: EIF	Value: 2 Year: CED Source: Catalyst Fund PPT, Slide 32	Y
IPP projects reach financial close	Value of energy projects that have reached financial close	Value of Independent Power Producer energy projects that have reached financial close as a result of compact-	US Dollars	Value: 0 Year: EIF	Value: 100,000,000 Year: CED Source: Catalyst Fund PPT, Slide 32	Y

Project Logic Result	Indicator	Definition	Unit	Baseline	Final Target	ITT Indicator (Y/N)
		provided technical support.				
Support to Côte d'Ivoire on the Regional Energy Market Activity						
Framework for cost-optimized investment project sourcing put in place (CI-ENERGIES)	TBD A specific indicator will be defined to monitor the implementation of the cost-optimization framework and associated tools once the framework has been drafted.	TBD	TBD	TBD	TBD	TBD
Tariff study completed (ANARE-CI, CI-ENERGIES, MMPE, MFB)	Tariff modeling tool completed	Date on which the tariff modeling tool, which is the key output of the tariff study, is completed and accepted for use by ANARE-CI. The purpose of the tariff modeling tool will be to propose various tariff options for the national power sector and regional trading partners.	Date	N/A	TBD	Y
Open access market structure	Study assessing open access market	Date on which the study assessing the	Date	N/A	Value: 31-Dec-2026	Y

Project Logic Result	Indicator	Definition	Unit	Baseline	Final Target	ITT Indicator (Y/N)
and regional market integration supported (ANARE-CI)	structure and regional market integration completed	steps necessary for the Côte d'Ivoire energy sector to support open access markets and regional market integration is completed and accepted by ANARE-CI			Source: Investment Memo, Annex 8	
Open access market structure and regional market integration supported (ANARE-CI)	TBD A specific indicator will be developed to monitor the operationalization of a market operator once the intended market structure is identified.	TBD	TBD	TBD	TBD	TBD
Technical assistance and trainings on sector oversight and regional power pools provided (ANARE-CI, CI-ENERGIES, CME, MMPE, MFB)	TBD A specific indicator will be defined to monitor the technical assistance provided once the legal and regulatory framework has been assessed and specific recommendations developed.	TBD	TBD	TBD	TBD	TBD

Project Logic Result	Indicator	Definition	Unit	Baseline	Final Target	ITT Indicator (Y/N)
Technical assistance and trainings on sector oversight and regional power pools provided (ANARE-CI, CI-ENERGIES, CME, MMPE, MFB)	TBD A specific indicator or indicators will be defined to monitor the implementation of capacity building planned at the key sectoral entities once the capacity building plans have been drafted.	TBD	TBD	TBD	TBD	TBD
Technical assistance and trainings on sector oversight and regional power pools provided (ANARE-CI, CI-ENERGIES, CME, MMPE, MFB)	TBD A specific indicator to monitor training of electricity sector stakeholders will be developed once the capacity building plans identifying stakeholder needs have been completed.	TBD	TBD	TBD	TBD	TBD

ANNEX IV
CONDITIONS PRECEDENT
TO DISBURSEMENT OF COMPACT FACILITATION FUNDING

This Annex IV sets forth the conditions precedent applicable to Disbursements of Compact Facilitation Funding (each a “**CFF Disbursement**”). Capitalized terms used in this Annex IV and not defined in this Compact shall have the respective meanings assigned thereto in the Program Implementation Agreement. Once the Program Implementation Agreement is signed, each CFF Disbursement shall be subject to all of the terms of the Program Implementation Agreement, except that the only conditions to disbursements of CFF shall continue to be those set forth in this Annex IV.

1. Conditions Precedent to Initial CFF Disbursement.

Unless waived or deferred by MCC in writing, each of the following conditions must be met to MCC’s satisfaction before the initial CFF Disbursement:

- (a) Côte d’Ivoire (or MCA-Côte d’Ivoire Regional) has delivered to MCC:
 - (i) an interim fiscal accountability plan acceptable to MCC;
 - (ii) a Procurement and Grants Plan Package acceptable to MCC;
 - (iii) an interim bid challenge system; and
 - (iv) an interim procurement operations manual.
- (b) Côte d’Ivoire (or MCA-Côte d’Ivoire Regional) has hired a Procurement Director or another individual, approved by MCC, to perform the duties of a procurement officer for the Program on behalf of Côte d’Ivoire until such time as a MCA-Côte d’Ivoire Regional Procurement Director has been hired.

2. Conditions Precedent to All CFF Disbursements.

Unless waived or deferred by MCC in writing, each of the following conditions must be met to MCC’s satisfaction before each CFF Disbursement, including the initial CFF Disbursement:

- (a) Côte d’Ivoire (or MCA-Côte d’Ivoire Regional) has delivered to MCC a completed Disbursement Request covering the related Disbursement Period in accordance with the QDRP Policy.
- (b) If any proceeds of the CFF Disbursement are to be deposited in a bank account, MCC has received satisfactory evidence that (i) the Bank Agreement has been executed and (ii) the Permitted Accounts have been established.
- (c) Côte d’Ivoire (or MCA-Côte d’Ivoire Regional) has engaged an entity or individual to provide fiscal agent services, as approved by MCC, until such time as Côte d’Ivoire

provides to MCC a true and complete copy of a Fiscal Agent Agreement, duly executed and in full force and effect, and the fiscal agent engaged thereby is mobilized.

- (d) Côte d'Ivoire (or MCA-Côte d'Ivoire Regional) has engaged an entity or individual to provide procurement agent services, as approved by MCC, until such time as Côte d'Ivoire provides to MCC a true and complete copy of a Procurement Agent Agreement, duly executed and in full force and effect, and the procurement agent engaged thereby is mobilized.
- (e) MCC is satisfied, in its discretion, that: (i) no material default or breach of any covenant, obligation, or responsibility of Côte d'Ivoire, MCA-Côte d'Ivoire Regional, or any other entity of Côte d'Ivoire has occurred and is continuing under this Compact, the Program Implementation Agreement, or any other Supplemental Agreement; (ii) the activities to be funded with such CFF Disbursement are necessary, advisable or otherwise consistent with the goal of facilitating implementation of this Compact and shall not violate any applicable law or regulation; (iii) there has been no violation of, and the use of requested funds for the purposes requested shall not violate, the limitations on use or treatment of MCC Funding set forth in Section 2.7 of this Compact or in any applicable law or regulation; (iv) any Taxes paid with MCC Funding through the date (ninety) 90 days prior to the start of the related Disbursement Period have been reimbursed by Côte d'Ivoire in full in accordance with Section 2.8(c) of this Compact; and (v) Côte d'Ivoire has satisfied all of its payment obligations, including any insurance, indemnification, tax payments, or other obligations, and contributed all resources required from it, under this Compact, the Program Implementation Agreement, and any other Supplemental Agreement.
- (f) For any CFF Disbursement occurring after this Compact has entered into force in accordance with Article 7, MCC is satisfied, in its discretion, that:
 - (i) MCA-Côte d'Ivoire Regional has made progress, satisfactory to MCC, on implementing activities for which funding is requested, including progress on each of the Principal Implementation Plans;
 - (ii) there has been no material negative finding in any financial audit report delivered in accordance with this Compact and the Audit Plan, for the prior two quarters (or such other period as the Audit Plan may require);
 - (iii) MCC does not have grounds for concluding that any matter certified to it in any certificated provided as part of the Disbursement Request is not as certified; and
 - (iv) each of the Key Staff of MCA-Côte d'Ivoire Regional remain engaged, or if a position is vacant, MCA-Côte d'Ivoire Regional is actively engaged, to MCC's satisfaction, in recruiting a replacement.

- (g) the United States has not determined that an act, omission, condition, or event has occurred that would be the basis for it to suspend or terminate this Compact, in whole or in part, in accordance with Section 5.1 of this Compact.
- (h) MCC has not determined that an act, omission, condition, or event has occurred that would be the basis for it to suspend or terminate MCC Funding in whole or in part, in accordance with Section 5.1 of this Compact.

ANNEX V

DEFINITIONS

***Activity** has the meaning provided in Part B of Annex I.*

***Additional Representative** has the meaning provided in Section 4.2.*

***Audit Guidelines** has the meaning provided in Section 3.8(a).*

***Audit Plan** has the meaning provided in Section 3.8(a).*

***Baseline** has the meaning provided in paragraph 4.1.2 of Annex III.*

***BESS** has the meaning provided in Part B(1)(ii)(A) of Annex I.*

***Board of Directors** has meaning provided in Part C of Annex I.*

***CBA** means Cost-Benefit Analysis.*

***CDF Agreement** has the meaning provided in Section 3.2(b).*

***CFF Disbursement** has the meaning provided in Annex IV.*

***CI-ENERGIES** has the meaning provided in Part B(2)(b) of Annex I.*

***Compact** has the meaning provided in the Preamble.*

***Compact Development Team** has the meaning provided in Section 3.2(b).*

***Compact Facilitation Funding or CFF** has the meaning provided in Section 2.2(a).*

***Compact Goal** has the meaning provided in Section 1.1.*

***Compact Records** has the meaning provided in Section 3.7(a).*

***Compact Term** has the meaning provided in Section 7.4.*

***Country Contribution** has the meaning provided in Section 2.6(a).*

***Covered Provider** has the meaning provided in the Audit Guidelines.*

***Disbursement** has the meaning provided in Section 2.4*

***DQR** has the meaning provided in paragraph 6 of Annex III.*

***ECOWAS** has the meaning provided in Part A(1)(b) of Annex I.*

***Environmental Guidelines** has the meaning provided in Section 2.7(c).*

Environmental and Social Impact Assessment or ESIA means a process for analyzing projects for potential risks and impacts, assessing potential significance of those risks and impacts and designing a set of interventions to avoid, manage, mitigate, or monitor the potential environmental and social impacts of a proposed activity or project.

Environmental and Social Management Plan or ESMP means a documented plan or strategy specifying the measures that will be taken to ensure that social and environmental impacts, risks, and liabilities identified during the ESIA or other analytical process are effectively mitigated, managed, and monitored 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 capacities to identify and manage the environmental and social risks, of the compact activities, which may include environmental and social management plans.

ERERA has the meaning provided in Part A(1)(b) of Annex I.

ERR means Economic Rate of Return.

Evaluation Component has the meaning provided in paragraph 1 of Annex III.

Excess CFF Amount has the meaning provided in Section 2.2(d).

Fiscal Agent has the meaning provided in Part C of Annex I.

Governance Guidelines means the Policy on Accountable Entities and Implementation Structures.

Grant has the meaning provided in Section 3.6(b).

Health and Safety Management Plan means a documented plan or strategy specifying identified hazards and safe work procedures to mitigate, reduce, or control the hazards identified.

IFC Performance Standards means the Performance Standards of the International Finance Corporation, as amended or otherwise modified from time to time.

Implementation Letters has the meaning provided in Section 3.5.

Implementing Entity has the meaning provided in Part C of Annex I.

Implementing Entity Agreement has the meaning provided in Part C of Annex I.

Indicators has the meaning provided in paragraph 4.1 of Annex III.

Inspector General has the meaning provided in Section 3.7(c).

Intellectual Property means all registered and unregistered trademarks, service marks, logos, names, trade names and all other trademark rights; all registered and unregistered copyrights; all patents, inventions, shop rights, know how, trade secrets, designs, drawings, art work, plans,

prints, manuals, computer files, computer software, hard copy files, catalogues, specifications, and other proprietary technology and similar information; and all registrations for, and applications for registration of, any of the foregoing; provided however, that Intellectual Property shall not include property forming part of the cultural heritage of any nation state and not placed or intended to be commercially licensed or sold.

***ITT** has the meaning provided in paragraph 4.1.8 of Annex III.*

***Key Staff** has the meaning provided in the Program Implementation Agreement.*

***Livelihood Restoration Plan or LRP** as required under the IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement means a plan that establishes the entitlements (e.g., compensation, other assistance, etc.) of affected persons and/or communities who are economically displaced by a project, in order to provide them with adequate opportunity to reestablish their livelihoods.*

***M&E** has the meaning provided in the preamble to Annex III.*

***M&E Plan** has the meaning provided in the preamble to Annex III.*

***M&E Policy** has the meaning provided in the preamble to Annex III.*

***MCA Act** has the meaning provided in Section 2.2(a).*

***MCA-Côte d'Ivoire Regional** has the meaning provided in Section 3.2(b).*

***MCC** has the meaning provided in the Preamble.*

***MCC Funding** has the meaning provided in Section 2.3.*

***MCC Website** means the MCC website at www.mcc.gov.*

***Monitoring Component** has the meaning provided in paragraph 1 of Annex III.*

***Multi-Year Financial Plan Summary** has the meaning provided in Annex II.*

***Operations Unit** has the meaning provided in Part C of Annex I.*

***Party and Parties** have the respective meanings provided in the Preamble.*

***Permitted Account** has the meaning provided in Section 2.4.*

***Principal Representative** has the meaning provided in Section 4.2.*

***Procurement Agent** has the meaning provided in Part C of Annex I.*

***Program** has the meaning provided in the Preamble.*

Program Assets means any assets, goods or property (real, tangible or intangible) purchased or financed in whole or in part (directly or indirectly) by MCC Funding.

Program Funding has the meaning provided in Section 2.1.

Program Guidelines means collectively the Audit Guidelines, the Environmental Guidelines, the Policy on Accountable Entities and Implementation Structures, the Program Grant Guidelines, the Accountable Entity Procurement Policy & Guidelines, the QDRP Policy, the M&E Policy, the Cost Principles for Government Affiliates Involved in Compact Implementation, the Policy on Program Closure, the Guidelines for Economic and Beneficiary Analysis, the Standards for Global Marking, the Country Contributions Policy, the Counter-Trafficking in Persons Policy, the Policy on Preventing, Detecting and Remediating Fraud and Corruption in MCC Operations, the Policy on Funding under Section 609(g), and any other guidelines, policies or guidance papers relating to the administration of MCC-funded assistance programs, in each case, as such may be posted from time to time on the MCC Website.

Program Implementation Agreement or PIA has the meaning provided in Section 3.1.

Project(s) has the meaning provided in Section 1.2.

Project Objective(s) has the meaning(s) provided in Section 1.2.

Provider means any natural or legal person who provides goods, works, or services in connection with the Program.

QDRP Policy means the Policy on Accountable Entities' Submission of the Quarterly Disbursement Request Package.

Resettlement Action Plan or RAP means a plan designed to mitigate the negative impacts of the physical or economic displacement of persons caused by project implementation per IFC Performance Standard 5: Land Acquisition and Voluntary Displacement.

Resettlement Policy Framework or RPF means a broad plan or scheme prepared for a project, based on the principles of IFC Performance Standard No.5, that sets forth and defines the principles, organizational arrangements, and design criteria to be applied to regulate all circumstances regarding resettlement that may occur in implementation of the project.

Social Analysis and Implementation Plan or SAIP means the operational plan to ensure each Project will incorporate social analysis findings and recommendations for broader impact, to include women and men, youth, rural communities, and other vulnerable populations.

Stakeholder Engagement Plan means a plan designed to guide consultations and communications with stakeholders of a project throughout the life of the project for the purpose of engaging with stakeholders in a culturally appropriate manner, as detailed further in IFC Performance Standard No. 1.

Supplemental Agreement means any agreement between (a) Côte d'Ivoire (or any affiliate of Côte d'Ivoire, including MCA-Côte d'Ivoire Regional) and MCC (including, but not limited to,

the PIA and any Implementation Letter), or (b) MCC and/or Côte d'Ivoire (or any affiliate of Côte d'Ivoire, including MCA-Côte d'Ivoire Regional), on the one hand, and any third party, on the other hand, in each case, setting forth the details of any funding, implementing, or other arrangements in furtherance of, and in compliance with, this Compact.

***Target** has the meaning provided in paragraph 4.1.3 of Annex III.*

***Taxes** has the meaning provided in Section 2.8(a).*

***United States Dollars or USD or US\$** means the lawful currency of the United States of America.*

***WAPP** has meaning provided in Part A(1)(b) of Annex I.*

ANNEX VI

ADDITIONAL CONDITIONS PRECEDENT TO ENTRY INTO FORCE

In addition to the conditions precedent set forth in Section 7.2 of this Compact, unless waived or deferred in writing by MCC, each of the following conditions must be met to MCC's satisfaction before this Compact enters into force:

1. MCA-Côte d'Ivoire Regional shall have signed grant agreements with WAPP and ERERA for the purpose of implementing the interventions in the Support to the ECOWAS Regional Electricity Market Activity.
2. Côte d'Ivoire shall have duly established MCA-Côte d'Ivoire Regional in accordance with Section 3.2(b).