

Summary of First Amendment to Millennium Challenge Compact with the Republic of Niger

The Board of Directors of the Millennium Challenge Corporation (“*MCC*”) has approved an amendment (the “*Amendment*”) to the existing US\$437,024,000, five-year Millennium Challenge Compact between the United States of America, acting through MCC, and the Republic of Niger (the “*Compact*”).

Background

The Compact was signed July 29, 2016 and entered into force on January 26, 2018. The Compact aims to increase rural incomes through improvements in agricultural productivity and sales resulting from modernized irrigated agriculture with sufficient trade and market access; and to increase incomes for small-scale agriculture-dependent and livestock-dependent families in eligible municipalities in rural Niger by improving crop and livestock productivity, sustaining natural resources critical to long-term productivity, and increasing market sales of targeted commodities through two projects: the Irrigation and Market Access Project and Climate-Resilient Communities Project.

Scope of the Amendment

MCC proposes to extend the term of the Compact for an additional 12 months to January 26, 2024 and to provide additional funding up to \$5,600,000. The term extension is necessary to mitigate implementation delays due to the COVID-19 pandemic and to complete projects as originally contemplated. The proposed additional funding will be used to cover additional program administration and related oversight costs associated with extending the Compact’s term.

Justification for the Amendment

Niger registered its first COVID-19 case on March 19, 2020. Within weeks, the Government of Niger imposed a tight lock-down closing international airports and land borders, restricting movements between cities, shuttering hotels, limiting gatherings to ten people or less, and enforcing a nightly curfew. Over the course of the next two months, the U.S. Embassy evacuated over 400 Americans and placed MCC staff who remained in country on mandatory

telework status. Restrictions on movement and gatherings were eased in May 2020. International air travel reassumed with strict sanitary protocols that included 14-day quarantines upon arrival in Niger. International airlines, however, did not resume flights into Niger until August and September 2020.

Since the outbreak began in March 2020, COVID-19 has significantly delayed Compact implementation. Several Millennium Challenge Account-Niger (“*MCA-Niger*”) staff and contractors contracted COVID-19. The transition to telework has proved challenging for MCA-Niger due to connectivity issues. The limitations on the size of public gathering size increased the number of required meetings. Some potential contractors, wary of exposing their staff to COVID-19, delayed signing new contracts because they were reluctant to commit to a deliverable timeline amidst continued uncertainty about the trajectory of COVID-19 cases in Niger. Also, MCC staff and contractors could not travel to Niger, delaying bid preparation, project work, and project oversight.

Extending the Compact term will enable MCC and the Government of Niger to complete and hand over all ongoing projects to the beneficiary institutions at the required quality, without compromising health, safety, and environmental standards, and will reduce sustainability risks through finalization of farmer training and land tenure support activities and testing of the new innovative road maintenance arrangement. The Compact extension will also maximize long-term results and benefits for the citizens of Niger, and MCC’s return on investment, and benefit the Compact program as a whole. The additional funding will be used to cover additional program administration and related oversight costs associated with extending the Compact’s term.

FIRST AMENDMENT

TO

MILLENNIUM CHALLENGE COMPACT

BETWEEN

THE UNITED STATES OF AMERICA

ACTING THROUGH

THE MILLENNIUM CHALLENGE CORPORATION

AND

THE REPUBLIC OF NIGER

ACTING THROUGH

THE MINISTRY IN CHARGE OF FOREIGN AFFAIRS AND COOPERATION

FIRST AMENDMENT TO MILLENNIUM CHALLENGE COMPACT

This FIRST AMENDMENT TO MILLENNIUM CHALLENGE COMPACT (this “*Amendment*”), is made by and between the United States of America, acting through the Millennium Challenge Corporation, a United States government corporation (“*MCC*”), and the Republic of Niger (“*Niger*”), acting through the Ministry in Charge of Foreign Affairs and Cooperation (the “*Government*”) (each referred to herein individually as a “*Party*” and collectively, as the “*Parties*”). All capitalized terms used in this Amendment that are not otherwise defined herein have the meanings given to such terms in the Compact (as defined below).

RECITALS

WHEREAS, the Parties signed that certain Millennium Challenge Compact by and between the United States of America, acting through MCC, and the Republic of Niger acting through the Ministry in Charge of Foreign Affairs and Cooperation, on July 29, 2016 (as modified on August 23, 2019 and October 9, 2020, the “*Compact*”);

WHEREAS, Section 7.4 of the Compact provides for a Compact Term of five (5) years from its entry into force on January 26, 2018;

WHEREAS, implementation of the Compact Program has been adversely affected and delayed by the coronavirus pandemic;

WHEREAS, the Parties now desire to extend the Compact Term by an additional twelve (12) months until January 26, 2024 (the “*Extension*”), and to increase assistance under the Compact for related administrative and oversight costs, to allow the Government more time to implement and complete the Projects in order to fully achieve the Compact Goal and Project Objectives;

WHEREAS, the Parties further desire to modify the Project Objective for the Irrigation and Market Access Project; and

WHEREAS, pursuant to Section 6.2(a) of the Compact, the Parties desire to amend the Compact as more fully described herein to memorialize the Extension and the modified Project Objective.

NOW, THEREFORE, the Parties hereby agree as follows:

AMENDMENTS

1. Amendment to Section 1.3

Section 1.3 (Project Objectives) of the Compact is amended and restated to read as follows:

“Section 1.3 Project Objectives. The objective of each of the Projects (each a “Project Objective” and collectively, the “Project Objectives”) is to:

- (a) increase rural incomes through improvements in agricultural productivity and increases in sales resulting from modernized irrigated agriculture with sufficient trade and market access; and
- (b) increase incomes for small-scale agricultural- and livestock-dependent families in Eligible Communes and Livestock Corridors in rural Niger by improving crop and livestock productivity, sustaining natural resources critical to production, supporting growth of agricultural enterprises and increasing market sales of targeted commodities.”

2. Amendment to Section 2.1.

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

“Section 2.1 Program Funding. Upon entry into force of this Compact in accordance with Section 7.3, MCC will grant to the Government, under the terms of this Compact, an amount not to exceed Four Hundred Thirty-Four Million, Six Hundred Fifty-Two Thousand, Six Hundred Ninety-Six United States Dollars (US\$434,652,696) (“**Program Funding**”) for use by the Government to implement the Program. The allocation of Program Funding is generally described in Annex II.”

3. Amendment to Section 7.4.

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

“Section 7.4 Compact Term. This Compact will remain in force for six (6) years after its entry into force, until January 26, 2024, unless terminated earlier under Section 5.1 (the “**Compact Term**”).”

4. Amendments to Annex II (Multi-Year Financial Plan Summary).

- (a) Exhibit A to Annex II (Multi-Year Financial Plan Summary) to the Compact is deleted in its entirety and replaced by revised Exhibit A set forth in Annex I to this Amendment, which revised Exhibit A includes the Compact Development Funding amount granted by implementation of Section 2.2(d) of the Compact.

GENERAL PROVISIONS

1. Further Assurances.

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

2. Effect of this Amendment.

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

3. Limitations.

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

4. Governing Law.

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

ANNEX I

REVISED EXHIBIT A TO ANNEX II TO THE COMPACT

MULTI-YEAR FINANCIAL PLAN SUMMARY

Component	Current Approved MYFP	Proposed Additional MCC Grant Funds	Revised MYFP
1. Irrigation and Market Access Project			
1.1 Irrigation Perimeter Development	90,507,931	-	90,507,931
1.2 Management Services and Market Facilitation	15,039,275	-	15,039,275
1.3 Roads for Market Access	133,813,527	-	133,813,527
1.4 Policy Reform	17,184,394	-	17,184,394
Sub-total	256,545,127	-	256,545,127
2. Climate-Resilient Communities Project			
2.1 Regional Sahel Pastoralism Support (PRAPS)	52,155,587	-	52,155,587
2.2 Climate-Resilient Agriculture (CRA)	51,865,027	-	51,865,027
Sub-total	104,020,613	-	104,020,613
3. Monitoring and Evaluation			
3.1 Monitoring and Evaluation	12,000,000	-	12,000,000
Sub-total	12,000,000	-	12,000,000
4. Program Management and Administration			
4.1 MCA-Niger Administration, Program Management Support, Fiscal Agent, Procurement Agent and Financial Audits	56,486,956	5,600,000	62,086,956
Sub-total	56,486,956	5,600,000	62,086,956
Total Program Funding	429,052,696	5,600,000	434,652,696
Total Compact Development Funding	7,971,304	-	7,971,304
Total MCC Funds	437,024,000	5,600,000	442,624,000