

**PROGRAM IMPLEMENTATION AGREEMENT**

**BETWEEN**

**THE UNITED STATES OF AMERICA,**

**ACTING THROUGH**

**THE MILLENNIUM CHALLENGE CORPORATION**

**AND**

**THE REPUBLIC OF SENEGAL**

**ACTING THROUGH THE MINISTRY OF ECONOMY, FINANCE AND PLANNING**

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# PROGRAM IMPLEMENTATION AGREEMENT

## PREAMBLE

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

Recalling that the Millennium Challenge Compact between the United States of America, acting through MCC, and the Government signed on December 10, 2018 (the “*Compact*”), sets forth the general terms on which MCC shall provide assistance of up to Five Hundred Fifty Million United States Dollars (US\$550,000,000) (“*MCC Funding*”), and the Government shall provide contributions of up to Fifty Million United States Dollars (US\$50,000,000) (the “*Government Contribution*”), for a program to reduce poverty through economic growth in Senegal;

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

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

The Parties hereby agree as follows:

## ARTICLE 1. GENERAL RESPONSIBILITIES OF THE GOVERNMENT

### Section 1.1 Definitions.

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

### Section 1.2 Role of the Government.

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

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

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

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

(iii) Environmental and Social Performance. Unless MCC and the Government agree otherwise in writing, the Government shall ensure that all Projects and Activities undertaken, funded or otherwise supported in whole or in part (directly or indirectly) by MCC Funding under the Compact comply with the MCC Environmental Guidelines, including the environmental and social performance standards set forth in the *Performance Standards on Environmental and Social Sustainability of the International Finance Corporation* (as in effect from time to time, the “*IFC Performance Standards*”) that have been incorporated by reference into the MCC Environmental Guidelines. The Government also shall ensure that the Projects and Activities comply with all national environmental laws and regulations, licenses and permits, except to the extent such compliance would be inconsistent with the Compact. Where there is a difference between national environmental laws and regulations and the standards required by the Compact, the Government shall ensure that the stricter standard is followed. Unless MCC agrees otherwise in writing, the Government shall fund all necessary costs of environmental and social mitigation measures (including, without limitation, costs of resettlement) not specifically provided for, or that exceed the amount of MCC Funding or the Government Contribution specifically allocated for such costs in the Detailed Financial Plan for any Project or Activity.

(iv) Gender and Social Inclusion. Unless MCC and the Government agree otherwise in writing, the Government shall ensure that all Projects and Activities undertaken, funded, or otherwise supported in whole or in part (directly or indirectly) by MCC Funding comply with the MCC Gender Policy and the MCC Gender Integration Guidelines. Where there is a difference between national environmental laws and regulations and the standards required by the Compact, the Government shall ensure that the stricter standard is followed.

### Section 1.3 Role of MCA-Senegal II.

#### (a) Designation of MCA-Senegal II.

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

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

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

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

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

(ii) Government Responsibilities. MCA-Senegal II: (A) shall carry out the Designated Rights and Responsibilities (including all obligations specified as MCA-Senegal II obligations in the Compact, this Agreement, the CDF Agreement, or any other Supplemental Agreement) with due care, efficiency and diligence in conformity with sound technical, financial and management practices, and in conformity with the Compact, this Agreement, the CDF

Agreement, any other Supplemental Agreement and the Program Guidelines; (B) except as provided in Section 2.10 or with respect to an Implementing Entity, shall not assign, delegate or otherwise transfer any of the Designated Rights and Responsibilities without the prior written consent of MCC, and (C) shall not undertake any activities, duties or responsibilities other than the Designated Rights and Responsibilities without the prior written consent of MCC.

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

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

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

(vi) Funded Agreements; General Provisions Annex. MCA-Senegal II shall provide the Fiscal Agent (and MCC if it so requests) a copy of each agreement that is funded (directly or indirectly) with MCC Funding or the Government Contribution (each a, “*Funded Agreement*”), regardless of whether MCC has approval rights with respect to such agreement. Unless otherwise instructed by MCC, MCA-Senegal II shall include in each Funded Agreement:

(A) a covenant that the counterparty to such agreement (each a, “*Counterparty*”) shall comply with:

(1) the General Provisions Annex; and

(2) any instruction received by such Counterparty from MCC regarding the performance by such Counterparty of the terms of the General Provisions Annex, notwithstanding any other instruction given by MCA-Senegal II; and

(B) a right for MCA-Senegal II to terminate such Funded Agreement if such Counterparty fails to comply with the General Provisions Annex or any such instruction of MCC.

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

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

## **ARTICLE 2.**

### **IMPLEMENTATION FRAMEWORK**

Section 2.1 Implementation Plan. The framework for the Program's implementation shall be further elaborated in a set of documents, in form and substance approved by MCC, consisting of: (i) a Work Plan; (ii) a Detailed Financial Plan; (iii) an Audit Plan; and (iv) a Procurement Plan (each, an "***Implementation Plan Document***" and collectively the "***Implementation Plan***"). MCA-Senegal II shall submit its proposed Implementation Plan for review and approval by MCC before the initial Disbursement of Program Funding and at least on an annual basis thereafter (or in such other interval as may be required by the Program Guidelines). MCC shall review the proposed Implementation Plan and as necessary may request MCA-Senegal II to submit clarifications or adjustments. MCA-Senegal II shall submit an updated Implementation Plan or updated Implementation Plan Document during any quarter in which significant changes or modifications are made to a Project, Activity, or to the Program, or when MCA-Senegal II determines that the expected results, targets and milestones for the specified year are not likely to

be achieved; *provided, however*, that an updated Detailed Financial Plan shall be submitted each quarter. In such instances, MCA-Senegal II shall submit to MCC for approval a proposed revised Implementation Plan or an updated Implementation Plan Document (as applicable) on the same date as the next Periodic Report is due. MCA-Senegal II shall ensure that the implementation of the Program is conducted in accordance with the Implementation Plan.

(a) Work Plan. MCA-Senegal II shall develop and implement a work plan, in form and substance satisfactory to MCC, for the overall administration of the Program (the “**Work Plan**”). In addition, the Government shall develop, adopt, and implement such other work plans relating to the Project and/or Activities as MCC may request from time to time.

(b) Detailed Financial Plan. The Multi-Year Financial Plan Summary for the Program, which is set forth in Annex II to the Compact, shows the estimated annual contribution of MCC Funding, as well as the overall allocation of the Government Contribution, to administer, monitor and evaluate the Program and to implement each Project (the “**Multi-Year Financial Plan**”). Except as MCC agrees otherwise in writing, MCA-Senegal II shall develop and implement for each month of the upcoming quarter, and on a quarterly basis for the remaining term of the Compact (and the Closure Period) a detailed financial plan in accordance with the Reporting Guidelines, setting forth funding requirements for the Program (including administrative costs) and for each Project, broken down to the sub-Activity level (or lower, where appropriate), and projected both on a commitment and cash requirement basis (each a “**Detailed Financial Plan**”).

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

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

Section 2.2 Fiscal Accountability Plan. Except as MCC agrees otherwise in writing, MCA-Senegal II shall develop and implement a manual (as approved by MCC) setting forth the principles, mechanisms and procedures (the “**Fiscal Accountability Plan**”) that MCA-Senegal II shall use to ensure appropriate fiscal accountability for the use of Compact CDF, MCC Funding, and the Government Contribution, including the process to ensure that open, fair, and

competitive procedures shall be used in a transparent manner in the administration of grants or cooperative agreements and in the procurement of goods, works and services. The Fiscal Accountability Plan shall also include, among other things, requirements with respect to: (i) budgeting, (ii) accounting, (iii) cash management; (iv) financial transactions (receipts and payments), (v) opening and managing Permitted Accounts; (vi) personnel, human resource, and payroll management; (vii) travel and vehicle use; (viii) asset and inventory control; (ix) audits; and (x) reporting. The Fiscal Accountability Plan shall be revised periodically, subject to review and approval by MCC.

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

**Section 2.4 Environmental and Social Performance Plans.** In accordance with Section 1.2(b)(iii), MCA-Senegal II shall ensure that activities undertaken, funded or otherwise supported in whole or in part (directly or indirectly) by MCC Funding or the Government Contribution comply with the MCC Environmental Guidelines, including the IFC Performance Standards that are incorporated by reference therein. Specifically, MCA-Senegal II shall: (i) develop and adopt an Environmental and Social Management System for the Program; (ii) cooperate with or complete, as the case may be, any ongoing environmental and social impact assessments, and if necessary, undertake and complete any additional environmental and social assessments and analyses, such as environmental and social management plans, environmental and social audits, resettlement policy frameworks, and resettlement action plans required under the laws of Senegal, the MCC Environmental Guidelines, this Agreement, the Compact, any other Supplemental Agreement or the Program Guidelines, or as otherwise required by MCC, each in form and substance satisfactory to MCC; (iii) ensure that Project or Activity-specific environmental and social management plans are developed and all relevant measures contained in such plans are integrated into project design, the applicable procurement documents and associated finalized contracts, in each case, in form and substance satisfactory to MCC; and (iv) implement to MCC's satisfaction appropriate environmental and social mitigation measures identified in such assessments or plans or developed to address environmental and social issues identified during Compact implementation.

**Section 2.5 Social and Gender Integration Plan.** To ensure social inclusion and gender integration across the Projects and Activities, address human trafficking, and ensure compliance with the MCC Gender Policy and the MCC Gender Integration Guidelines, MCA-Senegal II shall develop a comprehensive social and gender integration plan ("***Social and Gender Integration Plan***") that, at a minimum: (i) identifies approaches for regular, meaningful and inclusive consultations with women and other vulnerable and/or underrepresented groups; (ii) sets forth strategies for consolidating the findings and recommendations of Project-specific social and gender analyses into final Project designs; and specifies actions to be taken during the

Compact Term to meet the social inclusion and gender equality objectives for the Projects; and (iii) ensures, through monitoring and coordination during Compact implementation, that final Activity designs, construction tender documents and implementation plans are consistent with and incorporate the outcomes of the social and gender analyses. MCA-Senegal II shall, on an annual basis, review and update the Social and Gender Integration Plan as needed to reflect lessons learned and Project-specific analysis.

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

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

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

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

**Section 2.8 Reports; Notices.**

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

(b) On October 30 of each year of the Compact Term (or within 30 days of any written request by MCC), MCA-Senegal II shall provide to MCC an annual supplemental report containing the following information:

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

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

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

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

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

(d) In addition to the Periodic Reports, MCA-Senegal II shall provide to MCC within 30 days of a written request by MCC, or as otherwise agreed by MCC and MCA-Senegal II in writing, such other reports, documents or information as MCC may request from time to time related to the Program or necessary for implementing, monitoring or evaluating the Program.

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

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

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

(a) Disbursements;

(b) the Implementation Plan (including each element or component thereof), the Fiscal Accountability Plan and the M&E Plan, and any modification of any of the foregoing;

(c) agreements between the Government and MCA-Senegal II, and agreements in which any of the following are appointed, hired or otherwise engaged (each, a “**Material Agreement**”):

- (i) Auditor or Reviewer;
- (ii) Fiscal Agent;
- (iii) Procurement Agent;
- (iv) Bank;
- (v) Implementing Entity;
- (vi) Outside Project Manager; and

(vii) a member of the Board (including the Observer) or any Key Staff of MCA-Senegal II (including agreements regarding compensation for any such person);

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

(e) any agreement or transaction of MCA-Senegal II that is not arm’s-length;

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

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

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

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

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

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

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

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

#### Section 2.10 Role of Certain Entities in Implementation.

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

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

agrees otherwise in writing, the Fiscal Agent shall be a third party, independent of the Government.

(c) Auditors and Reviewers. MCA-Senegal II shall engage one or more auditors as contemplated in the Audit Guidelines (each, an “**Auditor**”). As requested by MCC in writing from time to time, MCA-Senegal II shall also engage an independent: (i) reviewer to conduct reviews of performance and compliance under the Compact, which reviewer shall have the capacity to: (1) conduct general reviews of performance or compliance; (2) conduct audits of environmental and social performance, and (3) conduct data quality assessments in accordance with the M&E Plan, as described more fully in Annex III to the Compact; and/or (ii) evaluator to assess performance as required under the M&E Plan (each, a “**Reviewer**”). MCA-Senegal II shall select the Auditor(s) and/or Reviewer(s) in accordance with the Audit Guidelines and the M&E Plan, as applicable. MCA-Senegal II shall enter into an agreement with each Auditor or Reviewer, in form and substance acceptable to MCC, that sets forth the roles and responsibilities of the Auditor or Reviewer with respect to the audit, review or evaluation, including access rights, required form and content of the applicable audit, review or evaluation and other appropriate terms and conditions (the “**Auditor / Reviewer Agreement**”).

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

#### Section 2.11 Publicity and Transparency.

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

(b) MCA-Senegal II shall make information concerning implementation of the Compact publicly available, including by posting the following documents in English (unless MCC agrees otherwise in writing), on the MCA-Senegal II Website, all to the extent contemplated by and in accordance with the Governance Guidelines: (i) Compact, (ii) this Agreement, (iii) minutes of the meetings of the Board, and minutes of the meetings of the Stakeholders Committees as they relate to MCA-Senegal II; (iv) the M&E Plan, along with periodic reports and final evaluations on Program performance; (v) all environmental and social impact assessments and resettlement action plans for the Projects and supporting documents; (vi)

all social and gender assessments and the Social and Gender Integration Plan; (vii) all audit reports by an Auditor and any periodic reports or evaluations by a Reviewer; (viii) all Disbursement Requests; (ix) all reports required to be submitted to MCC under the terms of this Agreement (including the reports required under Section 2.8(a)); (x) all procurement policies and procedures (including standard documents, procurement plans, contracts awarded and the BCS) and any other procurement documents required to be made publicly available under the MCC Program Procurement Guidelines; (xi) a copy of any legislation or other documents related to the formation, organization or governance of MCA-Senegal II (except to the extent classified), including the Governing Documents and any amendments thereto; and (xii) such other materials as MCC may request; **provided, however**, that any press release or announcement regarding MCC or the fact that MCC is funding the Program or any other publicity materials referencing MCC shall be subject to MCC's prior approval and must be consistent with any instructions provided by MCC in relevant Implementation Letters.

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

#### Section 2.12 Branding and Enforcement.

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

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

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

“Millennium Challenge Account - Senegal II,” “MCA-Senegal II” and/or MCA-Senegal II’s logo; or (ii) the names “Millennium Challenge Corporation,” “MCC” and/or MCC’s logo. MCA-Senegal II shall provide MCC assistance to enforce MCC’s rights to the names “Millennium Challenge Corporation” and “MCC,” as well as to MCC’s logo.

### Section 2.13 Government Contribution.

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

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

(c) The Government further agrees to adhere to the principles and procedures for managing the Government Contribution as specified in Annex IV to this Agreement.

### Section 2.14 Additional Government Covenants.

(a) Covenants Regarding the Regulator. The Government shall (i) preserve the role and independence of CRSE in setting the tariff, (ii) provide increased financial autonomy for, and appropriate financial and operational resources to, CRSE throughout the Compact Term, in accordance with recommendations provided by the CRSE financial autonomy study supported by the Program, (iii) submit the integrated investment planning framework supported by the Program to CRSE for opinion, and (iv) permit CRSE (or other oversight entities, as appropriate) to conduct applicable audits and reviews to verify compliance with the integrated investment planning framework throughout the Compact Term.

(b) Covenant Regarding Roadmap Reviews. The Government shall conduct an annual review of implementation of the Roadmap throughout the Compact Term beginning one year after the Government’s validation of the Roadmap. MCC shall be invited to the annual reviews.

**ARTICLE 3.**  
**DISBURSEMENT OF MCC FUNDING**

Section 3.1 Disbursement Process.

(a) Disbursement Requests. MCA-Senegal II may request Disbursements to be made under the Compact by submitting a request in accordance with the Reporting Guidelines (each a “***Disbursement Request***”), duly completed, to MCC not later than 20 days (or such other period of time as may be agreed by MCC) prior to the commencement of each Disbursement Period. Requests for Disbursement of Program Funding and Compact CDF for any Disbursement Period shall be made by separate Disbursement Requests using the applicable form. Unless MCC agrees otherwise in writing, MCA-Senegal II may submit only one Disbursement Request for Program Funding, and one Disbursement Request for Compact CDF, for each quarter (such quarter, or any other period of time as agreed by MCC, the “***Disbursement Period***”). Each Disbursement Request submitted must be accompanied by the Periodic Reports covering the corresponding Disbursement Period.

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

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

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

(c) Permitted Accounts.

(i) Any MCC Funding to be disbursed to a bank account must be deposited in one or more accounts established and maintained by MCA-Senegal II in both the local currency of Senegal and United States Dollars (each an “***MCC-Funded Account***”), such MCC-Funded Accounts, and each other such account, a Permitted Account, to be established at a financial

institution acceptable to MCC to be interest-bearing to the extent practicable. In addition, MCC and MCA-Senegal II shall mutually agree in writing to the establishment of one or more Permitted Accounts for the deposit of the Government Contribution (each, a “**Government Account**”). Additional Permitted Accounts may be established from time to time subject to the mutual agreement of MCA-Senegal II and MCC. MCA-Senegal II shall notify MCC promptly if any account information for a Permitted Account changes during the Compact Term and provide MCC with the updated information.

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

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

**Section 3.2 Conditions Precedent to Disbursement of Compact CDF.** The applicable conditions set forth in Annex IV to the Compact must be met to MCC’s satisfaction before the initial and any subsequent Disbursement of Compact CDF.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Other Conditions Precedent. MCC has determined in its discretion that:

(i) all applicable conditions precedent in Annex II have been duly satisfied, deferred or waived as provided in this Agreement;

(ii) no material default or breach of any covenant, obligation or responsibility by the Government, MCA-Senegal II or any Government entity has occurred and is continuing under the Compact, this Agreement or any other Supplemental Agreement;

(iii) the activities to be funded with such Disbursement shall not violate any applicable law or regulation;

(iv) the Implementation Plan Documents and Fiscal Accountability Plan are current and updated and are in form and substance satisfactory to MCC, and there has been progress satisfactory to MCC on the components of the Implementation Plan for any relevant Projects or Activities related to such Disbursement;

(v) there has been progress satisfactory to MCC on the M&E Plan and Social and Gender Integration Plan for the Program, relevant Project or Activity and substantial compliance with the requirements of the M&E Plan and Social and Gender Integration Plan (including the targets set forth therein and any applicable reporting requirements set forth therein for the relevant Disbursement Period);

(vi) all Government entities involved in the implementation of the Program, including the Implementing Entities, are coordinating successfully with MCA-Senegal II and dedicating the necessary staff and other resources to ensure successful implementation of the Program;

(vii) there has been no material negative finding in any financial audit report delivered in accordance with the Compact and Audit Plan, for the prior two quarters (or such other period as the Audit Plan may require);

(viii) any Taxes paid with MCC Funding through the date 90 days prior to the start of the applicable Disbursement Period have been reimbursed by the Government in full in accordance with Section 2.8(c) of the Compact;

(ix) the Government has satisfied all of its payment obligations, including any insurance, indemnification, tax payments or other obligations, and contributed all resources required from it, under the Compact, this Agreement and any other Supplemental Agreement;

(x) MCC does not have grounds for concluding that any matter certified to it in the related MCA Disbursement Certificate, Procurement Agent Disbursement Certificate or Fiscal Agent Disbursement Certificate is not as certified;

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

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

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

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

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

#### **ARTICLE 4.**

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

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

Section 4.2 Consequences of Compact Termination, Suspension or Expiration.

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

(b) Upon the termination, in whole or in part, of the Compact or any MCC Funding, all applicable Disbursements shall cease; ***provided, however,*** MCC Funding may be used, in compliance with the Compact and this Agreement and with written consent of MCC, to pay for: (i) reasonable expenditures for goods, works or services that were properly incurred under or in furtherance of the Program before termination of the Compact or any MCC Funding; and (ii) reasonable expenditures (including administrative expenses) properly incurred in connection with the winding up of the Program (or any part thereof) within 120 days after the termination of the Compact or any MCC Funding.

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

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

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

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

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

(h) MCC and the Government recognize that the effects of the Compact shall be long-ranging and its impact on reducing poverty may not be measurable for several years after the Compact ceases to be in force. Accordingly, MCC and the Government agree to cooperatively monitor the results and evaluate the impacts of the Compact on reducing poverty

through economic growth in Senegal after the Compact ceases to be in force. As part of this cooperation, prior to expiration, or upon termination, of the Compact and in addition to the actions to be set forth in the Compact Closure Plan, the Parties shall develop a post-Compact monitoring and evaluation plan that describes the future monitoring and evaluation activities, the individuals and organizations that shall undertake these activities, and a budget framework for future monitoring and evaluation, provided, however, that nothing in this Section 4.2(h) shall be construed as committing MCC to provide any assistance to the Government after the Compact ceases to be in force. The Government shall provide all resources necessary (including both financial and personnel) to fulfill the tasks undertaken by the Government under the post-Compact monitoring and evaluation plan.

## **ARTICLE 5. GENERAL PROVISIONS**

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

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

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

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

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

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

Section 5.7 Termination of this Agreement.

(a) MCC may terminate this Agreement in whole or in part, without cause by giving the Government 30 days' written notice. This Agreement shall terminate simultaneously with the termination of the Compact by the Government in accordance with Section 5.1(a) of the Compact.

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

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

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

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

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

Section 5.11 Signatures. Signatures to this Agreement and to any amendment to this Agreement shall be original signatures appearing on the same page or in an exchange of letters or diplomatic notes.

**SIGNATURE PAGE FOLLOWS ON THE NEXT PAGE**

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

Done at Washington, D.C., this 10th day of December, 2018, in duplicate in the English language. A French language text shall be prepared which shall be considered an authentic version of the Agreement upon an exchange of diplomatic notes between the Parties confirming its conformity with the English language text. In the case of a divergence of interpretation between authentic texts of the Agreement, the English language version of the Agreement shall prevail.

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

FOR THE REPUBLIC OF SENEGAL, acting  
through THE MINISTRY OF ECONOMY,  
FINANCE AND PLANNING

/s/

/s/

---

Name: Jonathan G. Nash  
Title: Chief Operating Officer

---

Name: Amadou Ba  
Title: Minister of Economy, Finance and  
Planning

**SIGNATURE PAGE TO PROGRAM IMPLEMENTATION AGREEMENT  
BETWEEN THE UNITED STATES OF AMERICA  
ACTING THROUGH THE MILLENNIUM CHALLENGE CORPORATION  
AND THE REPUBLIC OF SENEGAL  
ACTING THROUGH THE MINISTRY OF ECONOMY, FINANCE AND PLANNING**

## ANNEX I DEFINITIONS

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

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

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

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

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

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

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

***Board** means the board of directors of MCA-Senegal II.*

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

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

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

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

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

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

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

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

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

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

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

***Environmental and Social Management Plan or ESMP** means a plan or strategy specifying the measures that shall be taken to ensure that social and environmental impacts, risks and liabilities*

identified during the ESIA process are effectively managed during the construction, operation and closure of the proposed project.

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

**Fiscal Accountability Plan** has the meaning provided in Section 2.2.

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

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

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

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

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

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

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

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

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

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

**Implementation Plan** has the meaning provided in Section 2.1.

**Implementation Plan Document** has the meaning provided in Section 2.1.

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

**Key Staff** has the meaning provided in the Governance Guidelines.

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

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

**MCA Disbursement Certificate** has the meaning provided in Section 3.4(a)(iii).

**MCA-Senegal II Website** has the meaning provided in Section 2.11(a), with the following address as of the date hereof: [www.ucf-mcasn.com](http://www.ucf-mcasn.com)

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

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

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

**Observer** has the meaning provided in the Governance Guidelines.

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

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

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

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

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

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

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

**Resettlement Action Plan or RAP** means a plan designed to mitigate the negative impacts of the physical displacement of persons caused by project implementation.

**Resettlement Policy Framework or RPF** means a broad plan or scheme prepared for a project, based on the principles of the World Bank's Involuntary Resettlement Policy (OP 4.12), 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 Program.

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

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

**Stakeholder Committee** means each of the consultative mechanisms referenced in Section C of U to the Compact, and any successor or other body (approved by MCC) of representatives of the private sector, civil society and local and regional governments that has been formally established in accordance with the Governance Guidelines to provide advice and input to MCA-Senegal II regarding the implementation of the Program.

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

**ANNEX II**  
**CONDITIONS PRECEDENT TO PROGRAM FUNDING**

**PART A. Conditions Precedent for An Entire Disbursement Request**

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

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

(iii) Before the initial Disbursement of Program Funding for payment under a particular works or construction contract for a given Project or Activity, MCA-Senegal II must submit evidence that MCA-Senegal II, or the appropriate Government entity, has developed and adopted an Environmental and Social Impact Assessment, an Environmental and Social Management Plan, and/or a Resettlement Action Plan, including projected compensation for all relevant project affected persons with respect to such Project or Activity, each of which must be in form and substance satisfactory to MCC.

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

(v) Before each Disbursement of Program Funding for payment under a particular works or construction contract for a given Project or Activity, MCA-Senegal II must submit evidence that MCA-Senegal II or the appropriate Government entity, is implementing the requirements of each ESIA, ESMP, Health and Safety Management Plan, or Resettlement Action Plan, as appropriate, in all material respects and consistent with the MCC Environmental Guidelines (including the IFC Performance Standards that are incorporated by reference therein).

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

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

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

**PART B. Conditions Precedent for the Transmission Project**

(i) Before the initial Disbursement of Program Funding for any works or construction contract under the Transmission Project, the Government shall ensure, through an audit conducted in coordination with Senelec, that in the context of resettlement implementation, compensation consistent with the IFC Performance Standards has been provided to all project affected persons on the first Kounoune Patte d’Oie circuit of the transmission line, currently funded by the IsDB.

**PART C. Conditions Precedent for the Access Project**

(i) Before the initial Disbursement of Program Funding for any works or construction contracts under the Access Project, the Government commits to improving the policy and regulatory environment for rural electrification by (1) completing the approved plan to address non-performing concessionaires; (2) resolving issues related to the licensing of local rural electrification initiatives; and (3) clarifying the regulations for solar home system distributors.

(ii) Before the initial Disbursement of Program Funding for any works or construction contracts under the Access Project, Senelec shall provide a plan of actions (under its responsibility) that Senelec shall take to reduce the time for new connections in rural zones overseen by Senelec, as measured from the time between a customer’s initial engagement with Senelec to receipt of electrical service, in form and substance acceptable to MCC and including an implementation timeline.

**PART D. Conditions Precedent for the Reform Project**

(i) Before the initial Disbursement of Program Funding for the Reform Project, the Government shall take steps to support Senelec’s ongoing orientation as a commercial entity, including by completing the accounting unbundling of Senelec in a manner consistent with the Roadmap, including ensuring the resolution of any related and outstanding audit findings.

(ii) Before the initial Disbursement of Program Funding for the Reform Project, the Government shall develop and adopt a plan to incorporate the ECOWAS Gender and Energy mainstreaming policy during the Compact Term.

**ANNEX III**  
**GOVERNMENT CONTRIBUTION TO THE PROGRAM**

**Government Contribution to the Program**

Project/Activity/Subactivity	COMPACT CDF PERIOD	COMPACT TERM					CLOSURE PERIOD	TOTAL OF GOVERNMENT CONTRIBUTION
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5		
<b>1. Modernizing and Strengthening Senelec's Transmission Network Project</b>	\$ -	\$ 5,100,000	\$ 5,800,000	\$ 7,700,000	\$ 4,300,000	\$ 3,300,000	\$ -	\$ 26,200,000
<b>1.1 Transmission Network Build Out Activity</b>	\$ -	\$ 2,300,000	\$ 5,600,000	\$ 7,600,000	\$ 2,300,000	\$ 100,000	\$ -	\$ 17,900,000
225kv Circuit Kounoune - Patte d'Oie	\$ -	\$ 1,300,000	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 1,900,000
225kv Circuit Kounoune - Cap des Biches	\$ -	\$ 400,000	\$ 700,000	\$ 1,500,000	\$ 2,100,000	\$ 100,000	\$ -	\$ 4,800,000
Underwater Cable - Cap des Biches - Bel Air	\$ -	\$ 600,000	\$ 4,300,000	\$ 6,100,000	\$ 200,000	\$ -	\$ -	\$ 11,200,000
<b>1.2 Transformer Replacement Program Activity</b>	\$ -	\$ 700,000	\$ 200,000	\$ 100,000	\$ 2,000,000	\$ 3,200,000	\$ -	\$ 6,200,000
Touba 225/30kV	\$ -	\$ 100,000	\$ -	\$ -	\$ 900,000	\$ 1,300,000	\$ -	\$ 2,300,000
Dias 225/30kV	\$ -	\$ 100,000	\$ -	\$ -	\$ 900,000	\$ 1,300,000	\$ -	\$ 2,300,000
Hann 90/30kV	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 300,000	\$ -	\$ 700,000
Aéroport 90/30kV	\$ -	\$ 400,000	\$ 100,000	\$ -	\$ 100,000	\$ 300,000	\$ -	\$ 900,000
<b>1.3 Grid Stabilization Activity</b>	\$ -	\$ 2,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,100,000
Network Management System and Strategy	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Battery Storage for BelAir 90 kV Substation (30 MWh)	\$ -	\$ 1,800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,800,000
<b>2. Increasing Access to Electricity in Rural and Peri-Urban Areas Project</b>	\$ -	\$ 500,000	\$ 900,000	\$ 1,000,000	\$ 1,100,000	\$ 2,400,000	\$ -	\$ 5,900,000
<b>2.1 Supply-Side Activity</b>	\$ -	\$ -	\$ 700,000	\$ 700,000	\$ -	\$ 100,000	\$ -	\$ 1,500,000
Tambacounda	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ 100,000	\$ -	\$ 400,000
Foundiougne	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Nioro du Rip, Medina Yoro Foulah	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000
Velingara	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000
<b>2.2 Consumer Demand Support Activity</b>	\$ -	\$ 400,000	\$ 100,000	\$ 100,000	\$ 400,000	\$ 300,000	\$ -	\$ 1,300,000
Enabling New Connections	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 200,000
Support for Productive Use Equipment	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000
Electricity Campaign for Electricity Literacy	\$ -	\$ 300,000	\$ 100,000	\$ 100,000	\$ 200,000	\$ 300,000	\$ -	\$ 1,000,000
<b>2.3 Distribution Network Reinforcement Activity</b>	\$ -	\$ 100,000	\$ 100,000	\$ 200,000	\$ 700,000	\$ 2,000,000	\$ -	\$ 3,100,000
Distribution	\$ -	\$ 100,000	\$ 100,000	\$ 200,000	\$ 700,000	\$ 2,000,000	\$ -	\$ 3,100,000
<b>3. Enabling Environment and Capacity Development Project</b>	\$ -	\$ 800,000	\$ 500,000	\$ 500,000	\$ 1,300,000	\$ 300,000	\$ -	\$ 3,400,000
<b>3.1 Sector Governance Activity</b>	\$ -	\$ 400,000	\$ 200,000	\$ 200,000	\$ 600,000	\$ 300,000	\$ -	\$ 1,700,000
Improving the Legal and Sectoral Framework	\$ -	\$ 200,000	\$ 100,000	\$ 100,000	\$ 400,000	\$ -	\$ -	\$ 800,000
Reinforcing Ministerial Capacity and Sector Planning	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 200,000	\$ 300,000	\$ -	\$ 800,000
Facilitating Private Sector Participation	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
<b>3.2 Regulatory Strengthening Activity</b>	\$ -	\$ 100,000	\$ 100,000	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ 600,000
Improving Regulatory Governance	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 400,000
Strengthening Regulatory Substance	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 200,000
<b>3.3 Utility Strengthening Activity</b>	\$ -	\$ 300,000	\$ 200,000	\$ 100,000	\$ 500,000	\$ -	\$ -	\$ 1,100,000
Incentivizing Increased Utility Performance	\$ -	\$ 300,000	\$ 100,000	\$ 100,000	\$ 500,000	\$ -	\$ -	\$ 1,000,000
Reinforcing Management of the Transmission and Distribution Networks	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Advancing Environmental Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>4. Monitoring and Evaluation</b>	\$ -	\$ 200,000	\$ 100,000	\$ 100,000	\$ 700,000	\$ 1,500,000	\$ -	\$ 2,600,000
Monitoring and Evaluation	\$ -	\$ 200,000	\$ 100,000	\$ 100,000	\$ 700,000	\$ 1,500,000	\$ -	\$ 2,600,000
<b>5. Program Administration</b>	\$ -	\$ 900,000	\$ 200,000	\$ 700,000	\$ 2,600,000	\$ 7,500,000	\$ -	\$ 11,900,000
UFC-MCA Senegal Program Administration	\$ -	\$ 700,000	\$ 200,000	\$ 500,000	\$ 2,000,000	\$ 5,800,000	\$ -	\$ 9,200,000
Fiscal Agent	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ 300,000	\$ 800,000	\$ -	\$ 1,300,000
Procurement Agent	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ 300,000	\$ 800,000	\$ -	\$ 1,300,000
Audits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000
<b>Total</b>	\$ -	\$ 7,500,000	\$ 7,500,000	\$ 10,000,000	\$ 10,000,000	\$ 15,000,000	\$ -	\$ 50,000,000

**ANNEX IV**  
**PRINCIPLES FOR MANAGEMENT OF THE GOVERNMENT CONTRIBUTION**

**A. General Principles.**

1. Except as the Parties may otherwise agree in writing, the Government Contribution shall conform to the requirements and provisions of the Compact and the Program Implementation Agreement, just as if it were MCC Funding. For the avoidance of doubt, any activities undertaken, in whole or in part, with the Government Contribution shall adhere to, among other things the Reporting Guidelines; the Program Procurement Guidelines; the MCC Cost Principles for Accountable Entity Operations; the MCC Guidelines for Country Contributions; the MCC Environmental Guidelines; the MCC Policy on Preventing, Detecting and Remediating Fraud and Corruption in MCC Operations; the Audit Guidelines; the MCC Environmental Guidelines; and the Social and Gender Integration Plan.

2. The Government Contribution shall begin to be disbursed through the Program after entry into force and throughout the Compact Term in accordance with the notional schedule in Annex III; *provided that*, with prior written agreement, any portion of the Government Contribution that exceeds 7.5 percent of the MCC Funding may be used prior to entry into force of the Compact for expenses related to the Program. MCC and the Government intend that in the event any portion of the Government Contribution has not been expended by the end of the Compact Term, the Government shall use the remaining portion of the Government Contribution to ensure sustainability of the Compact Project Objectives.

**B. Disbursement Principles for the Government Contribution.**

1. In order to properly manage and account for the Government Contribution, prior to the first Disbursement of the Government Contribution through the Program, MCA-Senegal II shall open one or more separate, segregated Government Accounts and/or other Permitted Accounts under the Bank Agreement for disbursements of the Government Contribution and any earnings and interest accrued thereon. No other accounts are authorized to receive or hold disbursements of the Government Contribution.

2. Upon request by MCA-Senegal II to the Treasury of Senegal, the Government shall disburse the requested portion of the Government Contribution to the Government Account on a quarterly basis.

3. Any and all interest accrued on the Government Contribution shall remain in the Government Account and reduce the amount of MCA-Senegal II's subsequent disbursement request to the Treasury of Senegal.

**C. Oversight of the Government Contribution.**

1. MCA-Senegal II shall ensure to MCC's satisfaction that the Government Contribution is fully and timely incorporated in the Implementation Plan Documents.

2. MCA-Senegal II shall ensure to MCC's satisfaction that the Government Contribution conforms to the requirements and provisions of the Fiscal Accountability Plan and Audit Plan, just as if it were MCC Funding.