



MILLENNIUM CHALLENGE CORPORATION

[MCC FR 25-06]

Notice of Entering into a Compact with the Republic of Côte d’Ivoire

AGENCY: Millennium Challenge Corporation.

ACTION: Notice.

SUMMARY: In accordance with the provisions of the Millennium Challenge Act of 2003, as amended, the Millennium Challenge Corporation (MCC) is publishing a summary of the Millennium Challenge Compact (Compact) between the United States of America and the Republic of Côte d’Ivoire. Representatives of the United States of America and the Republic of Côte d’Ivoire executed the Compact on September 10 and September 16, 2025, respectively. The complete text of the Compact has been posted at:

<https://assets.mcc.gov/content/uploads/compact-cote-divoire-regional-energy.pdf>.

(Authority: 22 U.S.C. 7709 (b)(3))

Dated: September 22, 2025.

Brian Finkelstein,

Acting Vice President, General Counsel, and Corporate Secretary.

SUMMARY OF THE CÔTE D'IVOIRE REGIONAL ENERGY COMPACT

Overview of the MCC Côte d'Ivoire Regional Energy Compact

The Millennium Challenge Corporation (MCC), on behalf of the United States of America, has signed a five-year Millennium Challenge Compact with the Republic of Côte d'Ivoire (Côte d'Ivoire) aimed at reducing poverty through economic growth (Compact). MCC funding of \$300,000,000, together with a contribution of \$22,500,000 from the Government of the Republic of Côte d'Ivoire (GoCI), will support economic growth in Côte d'Ivoire through support to the energy sector. The compact program seeks to increase the net quantity of electricity traded by Côte d'Ivoire on the regional market. The Compact aims to achieve this through the Côte d'Ivoire Regional Electricity Project, comprised of three activities that focus on the regional market structure, physical infrastructure within Côte d'Ivoire, and the institutional environment of the energy sector within Côte d'Ivoire, respectively, the: (i) Support for the ECOWAS¹ Regional Electricity Market Activity; (ii) Modernizing the Grid Network in Côte d'Ivoire Activity; and (iii) Support to Côte d'Ivoire on the Regional Electricity Market Activity.

Background and Context

Côte d'Ivoire experienced political instability and economic decline throughout the 1990s and 2000s. Between 2012 and 2024, political stability and policy reforms have allowed the economy to recover from years of stagnation, with an average annual gross domestic product growth rate of 6.7 percent during that period. The Government of Côte d'Ivoire has been a key national security ally and a committed MCC partner, instituting reforms that have aimed to move the country toward a more vibrant, robust, and stable economic growth path.

Côte d'Ivoire's energy system is one of the strongest in the sub-region. The country has four primary energy sources (i.e., hydropower, oil, natural gas, and biomass). As of 2023, Côte d'Ivoire had installed capacity of 2,907 Megawatts (MW), roughly 69 percent of which (1,998

¹ ECOWAS refers to the Economic Community of West African States.

MW) is generated by thermal power, 30 percent (866 MW) by hydropower, and the remaining 1 percent (43 MW) is generated by alternative energy sources.

Côte d'Ivoire has a relatively high access to electricity rate. Côte d'Ivoire is an electricity exporter due to its relatively high generation capacity, well developed electricity grid, and geographic location in West Africa. It exports electricity, pursuant to bilateral contracts, to six countries in the region: Burkina Faso, Ghana, Guinea, Liberia, Mali, and Sierra Leone. In the last ten years, the Government of Côte d'Ivoire has embarked on extensive reforms in the energy sector that are consistent with best practices and that address the national context.

Given this sector context, the compact program aims to develop Côte d'Ivoire's electricity grid infrastructure, catalyze private sector investment in Côte d'Ivoire's energy generation capacity, and provide institutional support to both regional and Côte d'Ivoire's institutions to support Côte d'Ivoire efforts in increasing the net quantity of electricity traded by Côte d'Ivoire on the regional market. Investments in these areas are expected to help the GoCI to substantially participate in trading electricity on the regional market and grow its economy while reducing poverty.

Project and Activity Summaries

The Côte d'Ivoire Regional Electricity Project

The Compact is designed to achieve its objective through one project, comprising the following three activities:

1. **The Support for the ECOWAS Regional Electricity Market Activity** aims to assist regional electricity actors in the operationalization of Phase II—the day-ahead market—of the West African Power Pool (WAPP) regional electricity market. The day-ahead electricity market hosts transactions for buying and selling electricity one day prior to the delivery day. On this market, regional buyers and sellers commit to the wholesale purchase of electricity

and submit their bids and offers to a market operator, respectively. The day-ahead market helps to avoid price volatility and produces one financial settlement. The integration of national power systems through a day-ahead market reduces the likelihood of energy crises that could lead to political instability and conflict. Strengthening the regulatory frameworks and institutional capacities of entities like the WAPP ensures that U.S. investments are safeguarded and that energy resources are managed transparently. This activity comprises three components: (i) improving and reinforcing reliability and market governance, (ii) improving market financial viability, and (iii) reinforcing the operational capacity of regional market actors.

- 2. The Modernizing the Grid Network in Côte d'Ivoire Activity** aims to make targeted investments in power system tools, equipment, and infrastructure in Côte d'Ivoire to meet the technical and market operations requirements needed to fully participate in the regional day-ahead power market. The activity will focus on upgrades to enhance the reliability and stability of the interconnected system while also catalyzing funding for a pipeline of independent power producer (IPP) projects to ensure sufficient energy is available for power trade. This strategic investment directly contributes to U.S. safety by enhancing the reliability and stability of the Ivorian electricity system. By upgrading critical infrastructure, MCC will reduce the risk of energy shortages that could destabilize the region and create opportunities for extremist groups to exploit vulnerabilities. This activity comprises two components: the first is dedicated to modernizing and upgrading power system operations tools, real-time monitoring and forecasting tools and capabilities to enhance compliance with anticipated future regulations. The second component aims to assist Côte d'Ivoire in expanding its capacity to diversify its energy mix thus improving its energy security. This will be done by catalyzing private sector funding for energy generation projects, thereby promoting energy independence and reducing reliance on potentially hostile foreign energy sources. The expected improvements in cybersecurity for the energy management systems

will further protect U.S. interests by ensuring that critical infrastructure is protected against cyber threats, which are increasingly prevalent in interconnected systems.

3. **The Support to Côte d’Ivoire on the Regional Electricity Market Activity** aims to bolster the regulatory, financial, and operational capacity of Ivoirian electricity sector stakeholders, enabling them to optimize their involvement in the recently launched day-ahead regional electricity market. This activity comprises three components: (i) improving and harmonizing the country’s electricity sector regulatory framework in line with regional frameworks and regulations, (ii) improving the financial condition of the Ivorian electricity sector, and (iii) developing Côte d’Ivoire’s overall performance in the regional electricity market. By enhancing these capacities, we are not only supporting Côte d’Ivoire’s ambition to become a regional energy hub but also reinforcing U.S. interests in promoting stability and security in West Africa. A well-functioning regional electricity market reduces the potential for energy disputes and fosters cooperation among nations, thereby contributing to a more stable geopolitical environment. The establishment of standardized contracts and regulatory frameworks will ensure compliance with regional regulatory frameworks and transparency, which are essential for attracting U.S. investments and ensuring that American companies can operate safely and effectively in the region.

Compact Budget

The table below presents the overall compact budget of \$322.5 million, which includes up to \$300 million of MCC funding, and a GoCI contribution of at least \$22.5 million.

MCC Funding by Compact Components	Amount
1. Support for the ECOWAS Regional Electricity Market Activity	\$39,450,000
2. Modernizing the Grid Network in Côte d’Ivoire Activity	\$165,500,000
3. Support to Côte d’Ivoire on the Regional Electricity Market Activity	\$40,450,000
4. Monitoring and Evaluation	\$2,800,000
5. Program Administration	\$51,800,000
Total MCC Compact Funding	\$300,000,000

Total Program Funding	Amount
Total MCC Compact Funding	\$300,000,000
Government of Côte d'Ivoire Contribution	\$22,500,000
Total Program	\$322,500,000

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