

FOREIGN ASSISTANCE

Millennium Challenge

**Agreement Between the
UNITED STATES OF AMERICA
and GHANA**

**Amending the Agreement of
August 5, 2014**

Effected by exchange of notes at
Accra June 16, 2021

Entered into force June 17, 2021



NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89—497, approved July 8, 1966
(80 Stat. 271; 1 U.S.C. 113)—

“ . . .the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof.”



REPUBLIC OF GHANA
MINISTRY OF FOREIGN AFFAIRS AND
REGIONAL INTEGRATION

TI/US

The Ministry of Foreign Affairs and Regional Integration of the Republic of Ghana, presents its compliments to the Embassy of the United States of America in Accra and refers to the Embassy's Note Verbale No. 2021-0419 dated June 16, 2021 proposing an amendment to the Millennium Challenge Compact between the United States of America, acting through the Millennium Challenge Corporation, and the Republic of Ghana, signed on August 5, 2014.

The Ministry informs the Embassy that the Government of the Republic of Ghana approves of the proposal contained in the Embassy's Note and confirms that the Embassy's Note, with its enclosure, and this response Note constitute an agreement between the two Governments that shall enter into force on the date of the written notification from the Embassy that the Government of the United States of America has completed its necessary internal procedures for entry into force of this agreement.

The Ministry of Foreign Affairs and Regional Integration of the Republic of Ghana avails itself of this opportunity to renew to the Embassy of the United States of America in Accra, the assurances of its highest consideration

Accra, 16th June, 2021

**EMBASSY OF THE UNITED STATES OF AMERICA
ACCRA**



No. 2021-0419

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs and Regional Integration of the Government of the Republic of Ghana and has the honor to refer the Ministry to the successful results of recently concluded negotiations between representatives of the two governments concerning a first amendment to the Millennium Challenge Compact between the United States of America, acting through the Millennium Challenge Corporation, and the Republic of Ghana, signed on August 5, 2014.

The proposed amendment is enclosed. If the proposed amendment is acceptable to the Ministry, the Embassy respectfully proposes further that the Ministry convey the approval of the Government of the Republic of Ghana by diplomatic note to the Embassy and that the Embassy's note, with its enclosure, and the Ministry's affirmative note in reply constitute an agreement between the two governments that would enter into force on the date of the written notification

from the Embassy informing the Ministry that the Government of the United States of America has completed its necessary internal procedures for entry into force of the agreement.

The Embassy of the United States of America takes this opportunity to renew to the Ministry of Foreign Affairs and Regional Integration of the Republic of Ghana the assurances of its highest consideration.



Embassy of the United States of America,

Accra, June 16, 2021.

Enclosure: Proposed First Amendment to Millennium Challenge Compact
Between the United States of America Acting through the Millennium Challenge
Corporation and the Republic of Ghana

FIRST AMENDMENT

TO

MILLENNIUM CHALLENGE COMPACT

BETWEEN

**THE UNITED STATES OF AMERICA
ACTING THROUGH
THE MILLENNIUM CHALLENGE CORPORATION**

AND

THE REPUBLIC OF GHANA

**FIRST AMENDMENT TO
MILLENNIUM CHALLENGE COMPACT**

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

RECITALS

WHEREAS, the Parties signed that certain Millennium Challenge Compact by and between the United States of America, acting through MCC, and the Republic of Ghana, on August 5, 2014 (as modified, the "*Compact*");

WHEREAS, Section 7.4 of the Compact provides for a Compact Term of five (5) years after its entry into force;

WHEREAS, the Compact entered into force on September 6, 2016;

WHEREAS, implementation of the compact program has been adversely affected and delayed by the coronavirus pandemic;

WHEREAS, the Parties now desire to extend the Compact Term by an additional nine (9) months (the "*Extension*"), and to increase assistance under the Compact for related administrative and oversight costs, to allow the Government more time to implement and complete the Projects in order to fully achieve the Compact Goal, Project Objectives and Program Objectives; and

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

NOW, THEREFORE, the Parties hereby agree as follows:

AMENDMENTS

1. Amendment to Section 2.1.

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

"Section 2.1 Program Funding. Upon entry into force of this Compact in accordance with Section 7.3, MCC will grant to the Government, under the terms of this Compact, an amount not to exceed Three Hundred One Million, Nine Hundred Seventy-Four Thousand, Forty-Six United States Dollars

(US\$301,974,046) (“**Program Funding**”) for use by the Government to implement the Program. The allocation of Program Funding is generally described in Annex II.”

2. Amendment to Section 2.2.

Section 2.2(a) (Compact Implementation Funding) of the Compact is amended and restated to read as follows:

“(a) Upon the signing of this Compact, MCC will grant to the Government, under the terms of this Compact and in addition to the Program Funding described in Section 2.1, an amount not to exceed Thirteen Million Eight Hundred Seventy-Seven Thousand, Three Hundred Forty-Nine United States Dollars (US\$13,877,349) (“**Compact Implementation Funding**”) under Section 609(g) of the Millennium Challenge Act of 2003, as amended (the “**MCA Act**”), for use by the Government to facilitate implementation of this Compact, including for the following purposes:

(i) financial management and procurement activities;

(ii) administrative activities (including start-up costs such as staff salaries) and administrative support expenses such as rent, computers and other information technology or capital equipment;

(iii) monitoring and evaluation activities;

(iv) feasibility, design and other project preparatory studies; and

(v) other activities to facilitate Compact implementation as approved by MCC.

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

3. Amendment to Section 7.4.

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

“Section 7.4 Compact Term. This Compact will remain in force for five (5) years and nine (9) months after its entry into force, unless terminated earlier under Section 5.1 (the “**Compact Term**”).”

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

(a) Section 2 of Annex II (Multi-Year Financial Plan Summary) to the Compact is amended and restated to read as follows:

“2. Government Contribution. During the Compact Term, the Government will make contributions, relative to its national budget and taking into account prevailing economic conditions, as are necessary to carry out the Government’s

responsibilities under Section 2.6(a) of this Compact. These contributions may include in-kind and financial contributions (including obligations of Ghana on any debt incurred toward meeting these contribution obligations). In connection with this obligation the Government has developed a budget over the Compact Term to complement MCC Funding through budget allocations to the Projects. The Government initially anticipates making contributions of approximately Twenty-Three Million, Six Hundred Eighty-Eight Thousand, Eight Hundred Fifty-Five United States Dollars (US\$23,688,855 (or 7.5 percent of the amount of MCC Funding provided under this Compact) over the Compact Term. Such contribution shall be in addition to the Government's spending allocated toward the Project Objectives in its budget for the year immediately preceding the establishment of this Compact. The Government's contribution shall be subject to any legal requirements in Ghana for the budgeting and appropriation of such contribution, including approval of the Government's annual budget by its legislature. The Parties may set forth in the Program Implementation Agreement or other appropriate Supplemental Agreements certain requirements regarding this Government Contribution, which requirements may be conditions precedent to the Disbursement of MCC Funding. During implementation of the Program, the Government's contributions may be modified or new contributions added with MCC approval, provided that the modified or new contributions continue to advance the Project Objectives."

- (b) Exhibit A to Annex II (Multi-Year Financial Plan Summary) to the Compact is deleted in its entirety and replaced by revised Exhibit A set forth in Annex I to this Amendment.

GENERAL PROVISIONS

1. Further Assurances.

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

2. Effect of this Amendment.

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

3. Limitations.

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

4. Governing Law.

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

ANNEX I

**REVISED EXHIBIT A TO ANNEX II TO THE COMPACT
MULTI-YEAR FINANCIAL PLAN SUMMARY**

Compact Program Tranche I	Current Approved MYFP	Proposed Additional MCC Grant Funds	Revised MYFP
1. ECG Financial & Operational Turnaround Project-Tranche 1			
1.1 Private Sector Participation	6,162,736		6,162,736
1.2 Modernizing ECG Operations	31,186,058	3,076,668	34,262,726
1.3 Commercial Loss Reduction	17,236,519		17,236,519
1.4 Technical Loss Reduction	155,326,548	318,978	155,645,527
1.5 Outage Reduction	354,406		354,406
Subtotal	210,266,267	3,395,646	213,661,914
2. NEDCo Financial & Operational Turnaround Project			
2.1 Private Sector Participation	0		0
2.2 Modernizing NEDCo Operations	1,175,475		1,175,475
2.3 Commercial Loss Reduction	0		0
2.4 Technical Loss Reduction	0		0
2.5 Outage Reduction	0		0
2.6 Tamale Service Area Improvement	0		0
2.7 Commercial Development	0		0
Subtotal	1,175,475		1,175,475
3. Regulatory Strengthening and Capacity Building Project			

3.1 Sector Performance Monitoring Ca	797,672		797,672
3.2 Tariff Review & Regulation	2,057,115		2,057,115
Subtotal	2,854,787		2,854,787
4. Access Project			
4.1 Improve Electricity Supply to MS	78,070		78,070
4.2 Improve Service Delivery/Strength	821,930		821,930
Subtotal	900,000		900,000
5. Power Sector Generation Improvement Project			
5.1 Operationalize "Gas to Power" Plan	0		0
5.2 Facilitate LNG development	0		0
5.3 Strengthen IPP framework	0		0
Subtotal	0		0
6. Energy Efficiency & Demand Side Management Project			
6.1 Development and Enforcement of Standards	4,268,865		4,268,865
6.2 Improve Energy Auditing	3,900,000		3,900,000
6.3 Education and Public Information	1,755,000		1,755,000
6.4 Demand Side Management Infrastructure	12,373,934		12,373,934
Subtotal	22,297,799		22,297,799
7. Monitoring and Evaluation (M&E)			
7.1. Monitoring and Evaluation (M&E)	7,308,437		7,308,437
Subtotal	7,308,437		7,308,437

8. Program Administration and Oversight			
8.1 MiDA Administration	32,373,374	2,898,597	35,271,971
8.2 Fiscal & Procurement Agents	9,763,852	1,345,902	11,109,754
8.3 Audit & Compliance	749,850	11,250	761,100
Subtotal	42,887,076	4,255,749	47,142,825
9. ECG Financial and Operational Turnaround Project-Tranche 2			
9.1 Private Sector Participation	0		0
9.2 Modernizing ECG Operations	2,120,755		2,120,755
9.3 Commercial Loss Reduction	0		0
9.4 Technical Loss Reduction	4,512,055		4,512,055
9.5 Outage Reduction	0		0
Subtotal	6,632,810		6,632,810
TOTAL Program Funding	294,322,651	7,651,395	301,974,046
TOTAL Compact Implementation Funding	13,877,349		13,877,349
TOTAL MCC Funding	308,200,000	7,651,395	315,851,395
Total Government Contributions	23,115,000	573,855	23,688,855
TOTAL COMPACT + GOVERNMENT CONTRIBUTION	331,315,000	8,225,250	339,540,250