

**AMENDMENT**

**TO**

**GRANT AND IMPLEMENTATION AGREEMENT**

**BY AND BETWEEN**

**THE MILLENNIUM CHALLENGE CORPORATION**

**AND**

**THE GOVERNMENT OF THE REPUBLIC OF BENIN**

**FOR THE DEVELOPMENT OF A MILLENNIUM CHALLENGE COMPACT**

## AMENDMENT TO GRANT AND IMPLEMENTATION AGREEMENT

This AMENDMENT TO THE GRANT AND IMPLEMENTATION AGREEMENT (this “*Amendment*”), dated as of May 11, 2015, is made by and between the Government of the Republic of Benin (the “*Government*”) acting through the Ministry of Economy, Finance and Denationalization Programs, and the Millennium Challenge Corporation, a United States government corporation (“*MCC*”). The Government and MCC are referred to herein as the “*Parties*”, and each, individually, as a “*Party*”. All capitalized terms used in this Amendment that are not otherwise defined herein have the meanings given to such terms in the Agreement (as defined below).

### RECITALS

WHEREAS, the Parties entered into that certain Grant and Implementation Agreement by and between MCC and the Government, dated as of September 24, 2013 as modified by letter agreement on November 26, 2014 (as modified, the “*Agreement*”), whereby MCC granted to the Government an amount not to exceed five million U.S. Dollars (US\$5,000,000) under the authority of Section 609(g) of the Millennium Challenge Act of 2003, as amended (the “*Act*”), to facilitate the development and implementation of a proposed Millennium Challenge Compact between the United States of America, acting through MCC, and the Government (the “*Compact*”) to help accelerate economic growth and poverty reduction in Benin;

WHEREAS, Section 7.9 of the Agreement provides that the Agreement may be amended or modified by written agreement of the Parties;

WHEREAS, the Parties desire to increase the monetary value set forth in the Agreement;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth herein and in the Agreement, the Parties hereby agree as follows:

### AMENDMENTS

#### **1. Amendment to Section 1.1.**

Section 1.1. of the Agreement is hereby amended by deleting such Section 1.1 in its entirety and replacing it with the following:

“MCC Grant. MCC hereby grants to the Government, under the terms of this Agreement:

(a) an amount not to exceed five million U.S. Dollars (US\$5,000,000) (“*Phase One Funds*”);  
and

(b) an amount not to exceed eight million nine hundred thousand U.S. Dollars (US\$8,900,000) (“*Phase Two Funds*”).

Phase One Funds and Phase Two Funds are together referred herein as the “*Grant*”. The Grant will be utilized to fund the activities described in more detail in Annex I (each, an “*Activity*” and, collectively, the “*Activities*”).”

## **2. Amendment to Exhibit A.**

The following definitions will be inserted into Exhibit A (Index of Definitions) where alphabetically appropriate:

*“Phase One Funds has the meaning provided in Section 1.1.*

*Phase Two Funds has the meaning provided in Section 1.1.”*

## **3. Amendment to Annex I.**

Annex I (Description of the Assistance) of the Agreement is hereby amended by inserting, between the introductory clause which reads “Unless the Parties otherwise agree in writing, the Grant may be utilized to support the following Activities:” and the header which reads “1. Agribusiness Environment”, the following header “***Activities Supported by Phase One Funds***”.

Annex I (Description of the Assistance) of the Agreement is further amended by inserting, between Section 3 of Annex I (Monitoring and Evaluation) and the concluding paragraph of Annex I which reads “The allocation between the Government Contracted Activities and the MCC Contracted Activities shall be set forth in the 609(g) Procurement Plan, as such may be amended from time to time”, the section entitled “***Activities Supported by Phase Two Funds***” set forth in Appendix I attached hereto.

## **4. Amendment to Annex II.**

Annex II (Financial Plan) of the Agreement is hereby amended by inserting, between the header which reads “609(g) GRANT FINANCIAL PLAN” and the chart detailing the plan, the header “***Phase One Funds***”.

Annex II (Financial Plan) of the Agreement is further amended by inserting, after the Phase One Funds budget, the budget for Phase Two Funds attached hereto at Appendix II.

## **5. 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.

## **6. Effect of this Amendment.**

This Amendment incorporates the terms of the Agreement, except as otherwise amended herein, and the Agreement and this Amendment shall be read together and construed as one document, with appropriate construed changes to the Agreement’s Table of Contents, and each reference in the Agreement to the “Agreement,” “hereunder,” “hereof” or words of like import referring to the Agreement, shall mean and be construed as a reference to the Agreement, as amended by this Amendment.

## **7. Limitations.**

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

**8. Counterparts.**

This Amendment may be executed in counterparts, each of which shall constitute an original, but when taken together, shall constitute one instrument.

**IN WITNESS WHEREOF**, the undersigned, duly authorized by their respective governments, have signed this Amendment as of the date first mentioned above.

MILLENNIUM CHALLENGE CORPORATION

THE GOVERNMENT OF THE  
REPUBLIC OF BENIN

By: 

Name: Kamran M. Khan

Title: Vice President, Department of  
Compact Operations

By: \_\_\_\_\_

Name: Komi Koutché

Title: Minister of Economy, Finance and  
Denationalization Programs

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Title: Vice President, Department of  
Compact Operations

By: \_\_\_\_\_

Name: Komi Koutché

Title: Minister of Economy, Finance and  
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## **APPENDIX I**

### **Activities Supported by Phase Two Funds**

#### **1. Generation and Distribution.**

The Generation and Distribution Activity aims to provide new electrical generation to Benin's grid, along with upgrade and capacity expansion of the country's power distribution network. Phase Two Funds will be used to finance designs and studies pertaining to power generation and distribution infrastructure projects, as follows:

- for power generation, designs and studies related to the installation or rehabilitation of solar, thermal and hydroelectric units;
- for power distribution projects, designs and studies for network improvements and expansion capacity, integration of solar installations, installation of an automated meter reading system, establishment of a national distribution center and network controls; and
- for both power generation and distribution, as applicable, environmental and social impact assessment and resettlement action plans.

#### **2. Off-grid Electricity Access.**

The Off-grid Electricity Access Activity aims to strengthen the enabling environment in Benin for off-grid electricity markets and bring to scale power solutions originating in the public, private, and non-governmental sectors for the two-thirds of Benin's population that currently live without electricity. To address this need, Phase Two Funds will support the procurement of a manager to oversee the development and launch of a competitive grant facility to promote off-grid electrification in Benin.

The Parties currently envision that the competitive grant facility would elicit innovative solutions for:

- critical public infrastructure;
- community-level electricity generation and distribution;
- household-level generation and storage; and
- energy efficiency.

The Phase Two Funds for grant facility manager will cover a base period of one year to design and launch the facility.

#### **3. Monitoring and Evaluation.**

Phase Two Funds will support the collection and evaluation of data including the quality and reliability of power transported and delivered in Benin to data such as customer service outcomes and indicators of internal utility functioning.

#### 4. Program Administration.

Phase Two Funds will support the early administrative and implementation costs associated with creating the accountable entity to accelerate accountable entity start-up and implementation of the proposed compact. These costs include:

- the procurement and mobilization of Fiscal Agent and Procurement Agent; and
- salaries for key personnel during the transition from the Benin core team, also known as the *Unité de Coordination de la Formulation du 2<sup>ème</sup> Programme et du Suivi des Réformes de MCA-Bénin* (“**UCF**”), to the Millennium Challenge Account-Benin (“**MCA-Benin II**”) to ensure that there is continuity of operations and that the Government has sufficient staff available to prepare for compact implementation while the independent recruitment process for MCA-Benin II personnel is conducted.

For the avoidance of doubt, Phase Two Funds will provide UCF salary and benefit payments for a six-month transition period. On an exceptional basis, and as approved by MCC in writing, Phase Two Funds can provide salary payments for a twelve-month period for certain, technical specialists engaged by UCF on annual contracts. Staff recruitment expenses directly related the engagement of these technical specialists are also permitted. Phase Two Funds will not pay for rent, utilities, support staff, transportation or other operational expenses.

**APPENDIX II**  
**AMENDMENT TO 609(g) GRANT FINANCIAL PLAN**

**Activities Supported by Phase Two Funds**

<b>Activity</b>	<b>Budget (US\$)</b>
On-Grid Generation and Distribution	\$5,000,000
Off-Grid Electricity Access	\$500,000
Monitoring and Evaluation	\$750,000
Program Administration	\$2,650,000
<b>Total Estimated MCC Contribution (Phase Two Funds – only)</b>	<b>\$8,900,000</b>
<b>Total Estimated MCC Contribution (Phase One Funds – only)</b>	<b>\$5,000,000</b>
<b>Total Estimated MCC Contribution (Phase One Funds and Phase Two Funds)</b>	<b>\$13,900,000</b>