

**DISBURSEMENT AGREEMENT**

**BY AND AMONG**

**MILLENNIUM CHALLENGE CORPORATION**

**THE MINISTRY OF DEVELOPMENT, ECONOMY AND FINANCES,  
on behalf of the GOVERNMENT OF THE REPUBLIC OF BENIN**

**AND**

**MCA-BENIN**

**Dated as of October 6, 2006**

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**DISBURSEMENT AGREEMENT**

This DISBURSEMENT AGREEMENT (the “*Agreement*”), dated as of October 6, 2006, is made by and among the Millennium Challenge Corporation, a United States Government corporation (“*MCC*”); the Ministry of Development, Economy and Finances (the “*Ministry*”), on behalf of the Government of the Republic of Benin (the “*Government*”); and MCA-Benin, an entity to be established under the laws of Benin (“*MCA-Benin*”). MCC, the Ministry and MCA-Benin are sometimes referred to herein individually as a “*Party*” and collectively as the “*Parties*.”

Capitalized terms used and defined in this Agreement shall have the meanings given to such terms herein. Schedule 2 to this Agreement lists the capitalized terms that are defined herein and the section at which their respective definitions appear, and as applicable definitions. Capitalized terms that are used but not defined herein shall have the meanings given such terms in that certain Millennium Challenge Compact by and between the United States of America, acting through MCC, and the Government, signed in Washington on February 22, 2006 (the “*Compact*”).

**RECITALS**

WHEREAS, the Compact sets forth the general terms and conditions on which the United States, through MCC, will provide MCC Funding to the Government to use to implement the Program in the Republic of Benin (“*Benin*”) and achieve the Compact Goal and Objectives contemplated by the Compact;

WHEREAS, pursuant to Section 3.2 of the Compact and that certain designation dated October 5, 2006 by the President of the Republic of Benin and acknowledged by the Ministry, the Government has designated the Ministry to assume and carry out certain governmental rights, responsibilities and duties under the Compact, including the execution, delivery and performance of this Agreement;

WHEREAS, pursuant to Section 3.2 of the Compact, the Government effective as of April 10, 2006, and as further set forth in that certain designation dated October 5, 2006 by the President of the Republic of Benin, has designated the National Coordination Unit of Benin for the Millennium Challenge Program (“*National Coordination Unit*”) to act in place of MCA-Benin during the initial operating period of the Compact, and such designation was acknowledged by the National Coordination Unit;

WHEREAS, pursuant to Section 3.2 of the Compact and as shall be specified in that certain designation by the President of the Republic of Benin and acknowledged by MCA-Benin upon the establishment of MCA-Benin, and the Governing Documents (including the Governance Agreement to be entered into by and among MCC, the Ministry, on behalf of the Government, and MCA-Benin), the Government will designate MCA-Benin to assume and carry out certain governmental rights, responsibilities and duties under the Compact, including the execution, delivery and performance of this Agreement and oversight and management of the implementation of the Compact on behalf of the Government;

WHEREAS, it is a condition precedent to the Entry into Force that this Agreement be executed by the Parties;

WHEREAS, prior to the payment of any MCC Disbursement or Re-Disbursement, the Ministry and MCA-Benin, on behalf of the Government, must satisfy, or cause or ensure the satisfaction of, the terms and conditions specified in this Agreement and certain other Supplemental Agreements; and

WHEREAS, the Parties wish to enter into this Agreement to further specify the terms and conditions on which MCC Disbursements and Re-Disbursements will be made in furtherance of the Compact;

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

## **ARTICLE I. DISBURSEMENTS**

### Section 1.1 Disbursements.

#### (a) MCC Disbursements.

(i) MCA-Benin shall submit to MCC (and shall provide a copy thereof to the Principal Representative of the Ministry) an MCC Disbursement Request, in the form attached hereto as Exhibit A or such other form as MCC may request from time to time, together with the applicable deliverables as set forth in Article III, for each MCC Disbursement under the Compact. MCC Disbursement Requests may be made on a quarterly basis, or at such other interval as the Parties may otherwise agree from time to time, and shall be submitted to MCC no later than twenty (20) days (or such other period of time as agreed to by the Parties) prior to the commencement of the applicable Disbursement Period (defined below). Unless the Parties otherwise agree, one MCC Disbursement Request shall be made for each Quarter (such Quarter, or any other period of time as agreed to by the Parties in writing, the “*Disbursement Period*”).

(ii) Upon receipt of an MCC Disbursement Request, MCC shall determine the appropriate amount of the MCC Disbursement for application during the subsequent Disbursement Period, which disbursement, in whole or in part, shall be (1) calculated on the basis of, among other things, the progress under the Implementation Plan, (2) transferred in accordance with the funds sufficient to meet grant purposes for each month of the Disbursement Period set forth in the MCC Disbursement Request and the amount as approved by MCC, and (3) subject to the satisfaction, waiver or deferral, as determined by MCC, of applicable terms of and conditions to such MCC Disbursement in this Agreement. MCC reserves the right, in its sole discretion, to reduce the amount of any MCC Disbursement in accordance with Section 3.8(a) of this Agreement, Sections 2.1(a)(ii) and 2.2 (b) of the Compact or any other applicable provision of the Compact, this Agreement, any Governing Document, or any other Supplemental Agreement between the Government or any Government Affiliate or Permitted Designee and MCC or between two or more of such parties (collectively, the “*Compact Documents*”).

(iii) MCC shall make monthly cash transfers, as applicable, pursuant to Section 1.1(a)(ii) (each an MCC Disbursement) in U.S. Dollars to a Permitted Account pursuant to and in accordance with the procedures and requirements set forth in the Bank Agreement (or such other documentation establishing the Permitted Accounts). MCA-Benin shall provide in writing to MCC the account name, the designated account number and wire transfer instructions for deposits into such Permitted Accounts (the “*Permitted Account Information*”) no later than ten (10) business days prior to the initial MCC Disbursement. In the event that any Permitted Account changes during the Compact Term or the Permitted Account Information with respect to such Permitted Account otherwise changes, MCA-Benin shall provide in writing to MCC any modifications to such Permitted Account Information then on file with MCC as soon as practicable, but in no event later than ten (10) business days prior to the immediately succeeding MCC Disbursement.

(b) Re-Disbursements.

(i) Each request for Re-Disbursement shall be submitted to the Fiscal Agent in the form and substance, and pursuant to the process, required by the Fiscal Agent in the Fiscal Agent Agreement, the Fiscal Accountability Plan, the Bank Agreement and any other relevant Compact Document.

(ii) MCA-Benin shall ensure that the Fiscal Agent authorizes payment of, and the Bank effectuates the Re-Disbursement of any valid amount from the applicable Permitted Account directly to the applicable party, in accordance with the procedures and requirements set forth in the Fiscal Agent Agreement, the Fiscal Accountability Plan, the Bank Agreement and any other relevant Compact Document.

(iii) Each Re-Disbursement shall be subject to the applicable terms and conditions for such Re-Disbursement set out in Sections 1.2 and 3.7 of this Agreement, any other Compact Documents or any other Supplemental Agreement.

(c) Reporting in Lieu of MCC Disbursement Request. If MCA-Benin elects not to request an MCC Disbursement for a Disbursement Period, MCA-Benin shall nonetheless submit, for the Disbursement Period, a certificate from MCA-Benin signed by the National Coordinator and the Chair attaching true, correct and complete copies of all documents and reports MCA-Benin is required to submit for each MCC Disbursement under Section 3.2 and as otherwise applicable to the upcoming Quarter (the “*Section 1.1(c) Certificate*”) and MCA-Benin shall satisfy, prior to the commencement of the applicable Disbursement Period, all applicable conditions precedent to such Disbursement Period described in Article III of this Agreement.

Section 1.2 Limitations on Use of MCC Funding.

(a) MCA-Benin shall ensure that the use or treatment of MCC Funding shall comply with the limitations on the use or treatment of MCC Funding set out in the Compact, including Section 2.3 therein.

(b) Unless the Parties otherwise agree in writing, no financial commitment involving MCC Funding shall be made, no obligation of MCC Funding shall be incurred, and no MCC Disbursement or Re-Disbursement shall be made or MCC Disbursement Request submitted, for any activity or expenditure, unless the expense for such activity or expenditure is provided for in

the Detailed Financial Plan and unless unencumbered funds exist in the balance of the Detailed Financial Plan for the relevant Disbursement Period.

Section 1.3 Working Capital. The initial MCC Disbursement Request shall include funds in an amount equal to five hundred thousand U.S. Dollars (\$500,000) (“**Working Capital**”). The funds shall be available exclusively for expenses included in the Detailed Financial Plan but whose timing is earlier than originally projected and is not to be considered an amount available in addition to the Detailed Financial Plan. If, at any time, the Working Capital in the Permitted Accounts is below five hundred thousand U.S. Dollars (\$500,000), any subsequent MCC Disbursement Request may include a request for an amount equal to such shortfall for purposes of replenishing the Working Capital.

## **ARTICLE II. REPRESENTATIONS**

Section 2.1 Ministry Representations. The Ministry hereby represents and warrants the following, on behalf of itself and the Government, to MCC as of the Effective Date and shall provide the following representations and warranties, (x) on the date of each MCC Disbursement Request and on the date of each MCC Disbursement (in such case, both immediately before and immediately after giving effect to the MCC Disbursement occurring on such date) and (y) on the date of the Section 1.1(c) Certificate and the first day of the applicable Disbursement Period:

(a) Powers. The Ministry has the power and authority to execute, deliver and perform its obligations under this Agreement and each other agreement, certificate, or instrument contemplated hereby. The National Coordination Unit has the power and authority to execute, deliver and perform during the initial operating period any obligations of MCA-Benin under this Agreement and each other agreement, certificate, or instrument contemplated hereby;

(b) Authorization; No Conflicts; No Other Approvals. The execution, delivery and performance by the Ministry of this Agreement and the execution, delivery and performance by the Ministry and the National Coordination Unit of the transactions contemplated herein (i) have been duly authorized by all necessary action on the part of the Government and the National Coordination Unit, respectively, and (ii) will not violate (1) any applicable law or regulation or (2) any obligation of the Government, any Government Affiliate, including the Ministry and MCA-Benin, or any Permitted Designee (including the National Coordination Unit). No other action, consent, approval, registration or filing with or any other action by any governmental authority is required in connection with the effectiveness of this Agreement or the execution and performance of this Agreement by the Ministry or the Government. This Agreement and the Compact are valid and binding agreements and legally enforceable obligations of the Government, including the Ministry, and any Government Affiliate (including the Ministry and MCA-Benin) or Permitted Designee (including the National Coordination Unit);

(c) Government Assurances. The assurances in paragraphs (a) through (d) of Section 3.4 of the Compact are true, correct and complete in all material respects as if made by the Government herein;

(d) Government Contributions. The Government has contributed such cash or other resources or made such payments as required by Section 2.2, Section 2.3(e), Section 2.5, Section 3.9 and Section 5.8 of the Compact, Section 3(b) of Annex I of the Compact, Annex II of the Compact, or by any other relevant provision of any Compact Document. There has been no material breach or default by the Government of the Allocation Agreement;

(e) No Payments. The Ministry hereby represents that no payments have been made to any third party in connection with the Program in violation of the conflict of interest and ethics regulations, and other related provisions, of the applicable Beninese law and shall ensure that no such payments will be made. The Ministry represents that no payments have been received by any employee, agent or representative of either of the Ministry or MCA-Benin in connection with the procurement of goods and services or works funded or to be funded under the Compact and shall ensure no such payments will be received by any employee, agent or representative of either of the Ministry or MCA-Benin;

(f) No Material Adverse Change. Since the date of execution of the Compact, there has been no Material Adverse Change. For the purposes of this Agreement, “**Material Adverse Change**” shall mean: (i) a material breach or default of any assurance, representation, covenant or other obligation of the Government, any Government Affiliate (including Ministry and MCA-Benin) or any other Permitted Designee (including the National Coordination Unit) under any Compact Document or Supplemental Agreement; (ii) a failure by the Government, any Government Affiliate (including Ministry and MCA-Benin), any other Permitted Designee (including National Coordination Unit) and, to the knowledge of the Government or MCA-Benin as applicable, any Provider, to substantially comply with any term or condition set forth in the Compact Documents applicable to such party, including Section 2.3 of the Compact; (iii) a material adverse change in the Governing Documents, status or existence of MCA-Benin (or during the initial operating period, the governing documents of the National Coordination Unit); (iv) a material modification, amendment, alteration, rescission, termination or suspension of any Supplemental Agreement other than as disclosed in writing to, and approved where necessary by, MCC; (v) a change to any applicable law, regulation or order for which change could reasonably be expected to cause a material adverse change; and (vi) an act, event, circumstance or omission that has occurred or is pending or threatened that has or reasonably could be expected to have a material adverse change in or material adverse effect on: (1) the business, ministries, departments, property, operations, management, or condition, financial or otherwise, of the Government or any Government Affiliate (including Ministry or MCA-Benin) or, to the knowledge of the Government or MCA-Benin as applicable, any other Permitted Designee (including the National Coordination Unit), insofar as it is relevant to all or any part of the Program or Compact, (2) the ability of the Government, any Government Affiliate (including the Ministry and MCA-Benin) or any other Permitted Designee (including the National Coordination Unit) or, to the knowledge of the Government or MCA-Benin as applicable, any Provider, to perform any of its obligations in furtherance of the Compact or under any Supplemental Agreement or to exercise any of its rights under the Compact or any Supplemental Agreement, (3) the validity or enforceability of the Compact or any Supplemental Agreement, (4) the Program, any MCC Funding, Accrued Interest, Program Asset or any Permitted Account; or (5) the likelihood of successful implementation of the Compact consistent with the terms of the Compact Documents; and

(g) No Untrue Statements or Material Omissions. None of the representations and warranties made to MCC by the Government, any Government Affiliate (including Ministry and MCA-Benin), or any other Permitted Designee (including the National Coordination Unit) (and to the knowledge of the Government, any other Provider), none of the assurances by the Government made to MCC in any Compact Document, and none of the statements contained in any agreement, report, financial statement, communication or other document furnished by or on behalf of the Government, any Government Affiliate (including Ministry and MCA-Benin), any other Permitted Designee (including the National Coordination Unit) or, to the knowledge of the Government, any other Provider, to MCC in connection with any Compact Document (i) contains any untrue statement of material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading as of the time when made or delivered or (ii) omits any fact known to the Government, any Government Affiliate (including Ministry and MCA-Benin), or any other Permitted Designee (including National Coordination Unit), that if disclosed would (1) alter in any material respect the information delivered or (2) likely have a material adverse effect on the ability of the Government, any Government Affiliate (including Ministry and MCA-Benin), any other Permitted Designee (including National Coordination Unit) or to the knowledge of the Government, any other Provider to effectively implement, or ensure the effective implementation of, the Program or any Project or to otherwise carry out its responsibilities or obligations under or in furtherance of the Compact or any Supplemental Agreement.

Section 2.2 MCA-Benin Representations. On behalf of itself, MCA-Benin shall provide the following representations and warranties to MCC as of (a) the date MCA-Benin joins this Agreement, (also referred to herein as the MCA Effective Date) (b) the date of each MCC Disbursement Request and on the date of each MCC Disbursement (in such case, both immediately before and immediately after giving effect to the MCC Disbursement occurring on such date) and (c) the date of the Section 1.1(c) Certificate and the first day of the applicable Disbursement Period:

(a) Powers; Authorization. MCA-Benin is in the form identified on the date it joins this Agreement, duly organized, validly existing and in good standing under the laws of Benin. MCA-Benin has the power and authority to execute, deliver and perform its obligations under this Agreement, the other Compact Documents and Supplemental Agreements to which it is or will be a party, and each other agreement, certificate, or instrument contemplated hereby and thereby. The execution, delivery and performance by MCA-Benin of this Agreement, the Compact and the transactions contemplated herein and therein (i) have been duly authorized by all necessary action on the part of MCA-Benin, the Ministry and the Government, and (ii) will not violate (1) any applicable law or regulation or (2) any obligation of the Government, any Government Affiliate, including the Ministry and MCA-Benin, or any other Permitted Designee. No other ratification, license, permit, consent, approval, sanction, disclosure, registration, consultation or filing with or any other authorization or other action by any governmental authority (collectively, the “*Permits*”) is required in connection with the effectiveness of this Agreement or the Compact or the execution and performance by MCA-Benin of this Agreement, the Compact, the Supplemental Agreements or the transactions contemplated herein or therein, including as advisable for each Project, except for such Permits as will be obtained in the ordinary course and as to which MCA-Benin has no reason to believe will not be granted in the ordinary course within a reasonable time after application therefor, without burdensome

conditions, and prior to the time the same are required under applicable laws. This Agreement and the Compact are valid and binding agreements and legally enforceable obligations of MCA-Benin;

(b) No Liens. To the knowledge of MCA-Benin, there are no liens, attachments, enforcements of judgment, pledges, or encumbrances of any kind on any Program Asset or Permitted Account;

(c) No Material Adverse Change. Since the date of execution of the Compact, there has been no Material Adverse Change;

(d) No Untrue Statements or Material Omissions. None of the representations and warranties made to MCC by MCA-Benin or any other Permitted Designee (and to the knowledge of MCA-Benin, any other Provider), and none of the statements contained in any agreement, report, financial statement, communication or other document furnished by or on behalf of MCA-Benin and any other Permitted Designee or, to the knowledge of MCA-Benin, any other Provider, to MCC in connection with any Compact Document (i) contains any untrue statement of material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading as of the time when made or delivered or (ii) omits any fact known to MCA-Benin or any other Permitted Designee (including National Coordination Unit), that if disclosed would (1) alter in any material respect the information delivered or (2) likely have a material adverse effect on the ability of MCA-Benin, any other Permitted Designee (including National Coordination Unit) or, to the knowledge of MCA-Benin, any other Provider to effectively implement, or ensure the effective implementation of, the Program or any Project or to otherwise carry out its responsibilities or obligations under or in furtherance of the Compact or any Supplemental Agreement;

(e) No Programmatic or Other Variance. MCA-Benin is not aware of any fact or other information indicating that achievement of the Compact Goal and Objectives within the Compact Term, or satisfaction in a timely manner of the requirements of any component of the Implementation Plan, Compact Document, or any Supplemental Agreement (including with respect to any conditions precedent for future MCC Disbursements) critical to the achievement of the Compact Goal and Objectives within such period of time, is unlikely; and

(f) No Payments. MCA-Benin represents that no payments have been made to any third party in connection with the Program in violation of the conflict of interest and ethics regulations, and other related provisions, of the applicable Beninese law and shall ensure that no such payments will be made. MCA-Benin represents that no payments have been received by any employee, agent or representative of MCA-Benin in connection with the procurement of goods and services or works funded or to be funded under the Compact and shall ensure no such payments will be received by any employee, agent or representative of MCA-Benin.

**ARTICLE III.**  
**CONDITIONS PRECEDENT**

Section 3.1 Conditions Prior to Initial MCC Disbursement. Prior to, and as a condition precedent to, the initial MCC Disbursement, in addition to the deliverables under Section 3.2 and conditions set forth in Section 3.6 hereof, the Ministry shall deliver, or cause the Permitted Designee (including the National Coordination Unit) to deliver, to MCC each of the following, each in form and substance satisfactory to MCC:

(a) (i) A certificate issued or procured by the Ministry, in its capacity as the authority for the Government with respect to taxation, evidencing (1) the tax exempt status of the MCC Funding and of MCA-Benin and certifying that it has taken all necessary actions for the implementation and administration of the Government's obligation under Section 2.3(e) of the Compact, including the exemption from value-added taxes ("**VAT**") of transactions involving MCC Funding; (2) the designation of a Ministry representative to serve as the liaison with other Government agencies in the administration of such tax exemptions and reimbursements and any other matters as may be necessary for the effective implementation of the Compact, (3) any authorization from the Minister of Development, Economy and Finances required or advisable under Benin law to give full force and effect to Section 2.3(e) of the Compact and (4) any other requirements or certifications requested by MCC; and (ii) if requested by MCC, a certificate from applicable government authority evidencing the exemption under Section 2.3(e) of the Compact with respect to customs duties; in case of certificates delivered pursuant to clause (i) and (ii), MCC and MCA-Benin shall be named as permitted holders of such certificate, and any Providers or third parties receiving MCC Funding may rely on such certificate in connection with goods, services, or works funded by MCC Funding;

(b) Evidence that each Permit necessary or appropriate in connection with the due execution and delivery of this Agreement by the Ministry and performance by MCA-Benin (or any other Permitted Designee, including the National Coordination Unit) of its obligations hereunder (and under any relevant Supplemental Agreement) in connection with the Program (or any of the components thereof, including Project Activities) to be funded by the initial MCC Disbursement, has been obtained, was validly issued, remains in full force and effect, is non-appealable, and is on file in the offices of the National Coordination Unit and fully transferable to MCA-Benin upon its establishment;

(c) Evidence that (i) the Permitted Accounts have been duly established at the Bank in accordance with the Bank Agreement, the Fiscal Agent Agreement, the Fiscal Accountability Plan and the Compact Documents, (ii) all necessary approvals have been obtained from the Banque Centrale de l'Afrique de l'Ouest ("**BCEAO**"), and the Ministry of Development, Economy and Finances as necessary, and such approvals remain in full force and effect for the Permitted Accounts, and (iii) there has been no breach or default of any of the terms and conditions imposed by BCEAO (or the Ministry of Development, Economy and Finances) for the establishment and maintenance of the Permitted Accounts;

(d) Evidence that each of the conditions precedent to Entry into Force as set forth in Section 4.1 of the Compact has been satisfied;

(e) A certificate signed by the chair of the board of directors of the National Coordination Unit and the authorized agent for, or national coordinator of, the National Coordinator of the National Coordination Unit, certifying that attached thereto are true, accurate and complete copies of the following documents, in form and substance satisfactory to MCC, together with the following certifications as to such documents made by the chair of the board of directors of the National Coordination Unit and the authorized agent for, or the national coordinator of, the National Coordination Unit:

(i) The Fiscal Agent Agreement, duly executed and delivered and in full force and effect as of the date of the initial MCC Disbursement, without any alteration or suspension of any kind;

(ii) The Procurement Agent Agreement, duly executed and delivered and in full force and effect as of the date of the initial MCC Disbursement, without any alteration or suspension of any kind;

(iii) The Bank Agreement, duly executed and delivered and in full force and effect as of the date of the initial MCC Disbursement, without any alteration or suspension of any kind;

(iv) The Financial Plan for the Program and each Project, which includes the Multi-Year Financial Plan and the annual Detailed Financial Plan for Year 1 (which includes the quarterly Detailed Financial Plan for the first Quarter of Year 1), (1) is approved by MCC and is duly adopted by MCA-Benin (or mutually acceptable Government Affiliate) (attaching evidence thereof), and (2) is in full force and effect as of the date of the initial MCC Disbursement, without any alteration or suspension of any kind;

(v) A Fiscal Accountability Plan (replacing the Interim Fiscal Accountability Plan) which is approved by MCC and is duly adopted by MCA-Benin (or mutually acceptable Government Affiliate) (attaching evidence of such approval and adoption), and is in full force and effect as of the date of the initial MCC Disbursement, without any alteration or suspension of any kind, and evidence of adoption and compliance with the Interim Fiscal Accountability Plan prior to the initial MCC Disbursement;

(vi) A report of the most recent execution of actual national budget expenditures of all resources, including the annual budget, extra-budgetary or off-budget funds, and state-owned enterprises that conduct activities for a public purpose, to ensure the establishment of a baseline for allocation of domestic resources;

(vii) The incumbency and specimen signatures of the chair of the board of directors of the National Coordination Unit and the authorized agent for, or the national coordinator of, the National Coordination Unit, as of the date of the initial MCC Disbursement;

(viii) Certification that there has been no material breach or default of the CIF Letter Agreement and that all procurements were conducted in accordance with the applicable procurement requirements (including the CIF Procurement Implementation Plan, if any, and the CIF Procurement Guidelines) and each CIF Re-Disbursement from the Special Account and Local Account was in accordance with the Interim Fiscal Accountability Plan;

(ix) True, correct, complete copies of resolutions or minutes evidencing that the board of directors of the National Coordination Unit duly adopted and approved each of the documents listed in clauses (i) – (v) above on or before the date of the MCC Disbursement Request; and

(x) Such other documents as MCC may request;

(f) An opinion of counsel to the Government addressed to MCC;

(g) A certificate of the Fiscal Agent signed by a duly authorized representative of the Fiscal Agent, certifying that: (i) the execution, delivery and performance by the Fiscal Agent under the Fiscal Agent Agreement and any other agreement entered into or to be entered into by the Fiscal Agent in furtherance of the Compact and compliance by Fiscal Agent with the Bank Agreement has been duly authorized by the Fiscal Agent and that performance thereof is a legal, valid and binding obligation of the Fiscal Agent, (ii) the Permitted Accounts have been duly established in accordance with the Compact and in accordance with applicable law and regulations, each Permitted Account requires at least two signatures of the authorized representatives of the Fiscal Agent for instructions with respect thereto and the Fiscal Agent has authorized at least three senior authorized representatives of the Fiscal Agent as signatories on each Permitted Account and attached thereto are incumbency and specimen signatures of the representative of the Fiscal Agent authorized to execute the Fiscal Agent Agreement and any other agreement entered into or to be entered into by the Fiscal Agent in furtherance of the Compact and the three authorized representatives of the Fiscal Agent, (iii) as of the date of the certificate, the Fiscal Agent has engaged and has in place in Benin the relevant staff designated and resources dedicated to perform the services required under the Fiscal Agent Agreement, and any other agreement entered into or to be entered into by the Fiscal Agent in furtherance of the Compact and compliance by the Fiscal Agent with the Bank Agreement; (iv) as of the date of the certificate, the Fiscal Agent is in full compliance with the Interim Fiscal Accountability Plan; (v) the Fiscal Agent Agreement is in full force and effect without any alteration or suspension and there has been no material breach or default under the Fiscal Agent Agreement; and (vi) as to each of the certifications required under Section 3.2(d) as if applied to the Compact Implementation Funding and the period prior to Entry into Force;

(h) A certificate of the Procurement Agent, signed by a duly authorized representative of the Procurement Agent certifying that: (i) the execution, delivery and performance by the Procurement Agent under the Procurement Agent Agreement and any other agreement entered into by the Procurement Agent in furtherance of the Compact has been duly authorized by the Procurement Agent and that performance thereof is a legal, valid and binding obligation of the Procurement Agent, and attached thereto are incumbency and specimen signatures of the representative of the Procurement Agent authorized to execute the Procurement Agent Agreement and any other agreement entered into or to be entered into by the Procurement Agent in furtherance of the Compact and the two authorized representatives of the Procurement Agent, (ii) as of the date of the certificate, the Procurement Agent has engaged and has in place in Benin the relevant staff designated and resources dedicated to perform the services required under the Procurement Agent Agreement and any other agreement entered into or to be entered into by the Procurement Agent in furtherance of the Compact, and (iii) the Procurement Agent Agreement is in full force and effect without any alteration or suspension and there has been no material breach or default under the Procurement Agent Agreement;

(i) Evidence that the upcoming annual contribution by the Government as specified in Annex II of the Compact (the “**Government Funds**”) has been committed under the applicable finance law and national budget of Benin for 2006 and the disbursement in full has been made by the Government to the account designated for this purpose; (ii) a mutually acceptable agreement between MCC and the Government regarding the allocation of the Government Funds as required by Annex II of the Compact (“**Allocation Agreement**”) has been duly executed and delivered and in full force and effect as of the date of the initial MCC Disbursement, without any alteration or suspension of any kind and there has been no breach or default under the Allocation Agreement; and

(j) (i) The certified copy of the governing documents of the National Coordination Unit, each duly executed and delivered and in full force and effect as of the date of the initial MCC Disbursement Request and the date of the initial MCC Disbursement, without any alteration or suspension of any kind, and any other duly executed and delivered documents in full force and effect, and any amendments thereto, evidencing that the National Coordination Unit is duly formed, organized and in good standing under the laws of Benin and in accordance with the Compact and is authorized to perform those Government Responsibilities and any rights and other obligations and responsibilities of the Government as may be designated to be carried out by the National Coordination Unit in place of MCA-Benin during the initial operating period and (ii) a written waiver and acknowledgement executed by the authorized agent for, or the national coordinator of, the National Coordination Unit regarding the fiduciary duty of any MCC representative consistent with Section 3(d)(ii)(4) of Annex I of the Compact.

Section 3.2 Deliveries Prior to Each MCC Disbursement. Prior to, and as a condition precedent to, each MCC Disbursement (including the initial MCC Disbursement), MCA-Benin shall deliver the following documents to MCC (and shall provide a copy thereof to the Principal Representative of the Ministry), each in form and substance satisfactory to MCC:

(a) MCC Disbursement Request. A completed MCC Disbursement Request, in the form attached hereto as Exhibit A, (or if applicable the Section 1.1(c) Certificate) along with the following supporting documents, each of which shall be in form and substance satisfactory to MCC:

(i) Implementation Plan. Each of the following component documents of the Implementation Plan, to the extent that MCA-Benin has not previously provided such documents in their most current form to MCC and as approved by the Board and duly adopted by MCA-Benin:

(1) A Detailed Financial Plan for the next four 3-month periods (each corresponding to a Quarter) and each twelve (12) month period thereafter, except the final period may be less than twelve (12) months to cover the remaining Compact Term, with a description and justification, by each activity, of what will be accomplished with the MCC Funding being requested during such Disbursement Period;

(2) The Work Plan(s) for each activity to be funded during the Disbursement Period with the MCC Disbursement to be covered by such MCC Disbursement Request;

(3) Any other component documents of the Implementation Plan for the Disbursement Period to be covered by such MCC Disbursement Request; and

(4) Any proposed modification (together with a justification) to the Multi- Financial Plan, Detailed Financial Plan, Program and Project Work Plans, M&E Plan or other component documents of the Implementation Plan that is necessary or appropriate to accurately reflect the proposed implementation of the Program or to satisfy in a timely manner the requirements of any component of the Implementation Plan or any Compact Document (and if MCC approves such modification, the applicable component of the Implementation Plan shall be modified in writing to reflect the approved modification);

(ii) Conditions Precedent Report and Request for Waiver or Deferral of Conditions. (1) a report, in the form of the report attached at Exhibit B or such other form as may be specified by MCC, on the completion and satisfaction of the applicable conditions precedent, together with identification of the documentation or other evidence verifying the satisfaction of such conditions precedent or explanation of any variance and (2) to extent not specified in the report under clause (1), a written request for waiver or deferral, if any (together with a justification), of any condition precedent to the MCC Disbursement and Re-Disbursements in the Disbursement Period to which such MCC Disbursement Request relates (whether such conditions precedent are set forth in this Agreement or another document), in the case of both clauses (1) and (2) to be duly approved by the Board, certified to by the Chair and signed by the National Coordinator on behalf of MCA-Benin;

(iii) Quarterly Financial Report. A report, in the form of the report attached at Exhibit C or such other form as may be specified by MCC, containing a financial statement that provides an overview of MCA-Benin's financial activities over the previous Quarter and documents any proposed cash request for the next Quarter, such report to be duly approved by the Board, certified to by the Chair, signed by the National Coordinator on behalf of MCA-Benin, and certified by the Fiscal Agent (the "**Financial Report**");

(iv) Technical Audit Reports. The reports of any technical (including environmental) auditors engaged by MCA-Benin for any Project Activity, such reports to be certified by the applicable auditor;

(v) Quarterly Progress Report. Except for the first two Quarters of Year 1, a comprehensive quarterly summary, in the form attached hereto at Exhibit D or such other form as may be specified by MCC, of key program and project level accomplishments and developments, M&E targets, indicators and other information related to M&E performance and activities, and procurement developments with respect to performance in the previous Quarter (the "**Quarterly Progress Report**"), such report to be duly approved by the Board, certified to by the Chair, and signed by the National Coordinator on behalf of MCA-Benin; and

(vi) Procurement Performance Report. A procurement performance report, in a form attached hereto at Exhibit E or such other form as may be specified by MCC, which provides information on the execution of procurements undertaken in furtherance of the Compact, such report to be duly approved by the Board, certified to by the Chair, and signed by the National Coordinator on behalf of MCA-Benin.

In the case of each report set forth in paragraphs (ii) through (vi), unless otherwise specified by MCC, such reports shall be completed in accordance with the guidance and procedures provided by MCC from time to time or as specified in the applicable component of the Implementation Plans;

(b) MCA-Benin Certificate. A certificate signed by the National Coordinator and certified by the Chairman of the Board (following Board approval), dated as of the date of such MCC Disbursement Request (“*MCA-Benin Certificate*”), certifying that, other than as specifically provided therein:

(i) Attached thereto is a true, correct and complete copy of the resolutions duly adopted by the Board authorizing the execution and delivery of the MCC Disbursement Request and attachments thereto to MCC, including approval of the Implementation Plan and each report under Section 3.2(a) to be approved by the Board;

(ii) As of the date of the MCC Disbursement Request and the date of the MCC Disbursement (immediately before and after giving effect to the applicable MCC Disbursement), if any, (1) all of the representations made by MCA-Benin in Section 2.2 are true, correct and complete in all material respects as though made on the date of such MCC Disbursement Request and on the date of such MCC Disbursement (or in the case of a Section 1.1(c) Certificate, as of the date of such certificate), if any, and (2) other than to the extent covered by sub-clause (1) above or in Section 3.2(c)(i), no default or breach of any representation or assurance, covenant, obligation or responsibility of any party has occurred and is continuing under (A) this Agreement, (B) the other Compact Documents, (C) the Supplemental Agreements to which it is a party or (D) to the knowledge of MCA-Benin, under any other Supplemental Agreement;

(iii) The expenditure for each of the items included in the MCC Disbursement Request is provided for in the Financial Plan, including the Detailed Financial Plan, (as modified from time to time pursuant to the Compact, Governing Documents or applicable Supplemental Agreement between the Parties and delivered to MCC), and unencumbered funds exist in the balance of the Detailed Financial Plan for each such expenditure;

(iv) Attached thereto is a true, correct and complete copy of each Supplemental Agreement, including all amendments thereto, to which the Government, any Government Affiliate, including Ministry and MCA-Benin, and any other Permitted Designee has become a party, and which has not been previously provided to MCC; *provided*, for any Supplemental Agreement with a third party below US \$250,000 that is not a Material Agreement, MCA-Benin may attach a true, correct, and complete list of such Supplemental Agreements with such information as MCC may request and provide copies of any listed Supplemental Agreements upon MCC’s request, and all such Supplemental Agreements shall be in full force and effect, without modification, suspension or rescission;

(v) The documents attached thereto, and all Supplemental Agreements, documents and Permits previously provided to MCC, have not been modified, rescinded or amended and are in full force and effect;

(vi) Attached thereto is a true, correct and complete list of all Permits that are necessary or appropriate in connection with the performance by MCA-Benin of its obligations under any Compact Document or Supplemental Agreement during the Disbursement Period covered by such MCC Disbursement Request (or in the case of a Section 1.1(c) Certificate, the upcoming Quarter), and MCA-Benin shall certify that all Permits have been validly issued, are non-appealable and in full force and effect and on file in the office of MCA-Benin;

(vii) Attached thereto is evidence that all necessary approvals have been obtained from the BCEAO (and as necessary, the Ministry of Development, Economy, and Finances) and remain in full force and effect for the Permitted Accounts and there has been no breach or default of any of the terms and conditions imposed by the BCEAO (or Ministry of Development, Economy and Finances) for the establishment and maintenance of the Permitted Accounts;

(viii) (1) Activities to be funded with the MCC Funding being requested by such MCC Disbursement Request will not violate any applicable law, regulation, order, or obligation of MCA-Benin, including Section 2.3 of the Compact, and, on the date of such MCC Disbursement Request and on the date of the applicable MCC Disbursement (immediately before and after giving effect to such MCC Disbursement) and the MCC Funding, Accrued Interest, or Program Assets have been or will be strictly used or applied in accordance with this Agreement, the Compact and all Supplemental Agreements and (2) there has been no misuse of MCC Funding (including Compact Implementation Funding), Accrued Interest or Program Assets and no activities related to the Program or MCA-Benin have violated any applicable law, regulation order or obligation of MCA-Benin, including Section 2.3 of the Compact;

(ix) As of the date of such MCC Disbursement Request and the date of the applicable MCC Disbursement (immediately before and after giving effect to such MCC Disbursement), there are no liens or encumbrances of any kind on any Program Asset or on any Permitted Account (including any amounts held therein);

(x) MCA-Benin has maintained since the last MCC Disbursement Request (or if in the prior Quarter a Section 1.1(c) Certificate was delivered, since the date of such certificate) a standard of thirty (30) days to pay valid and acceptable invoices and has delivered or caused to be delivered to MCC satisfactory evidence of such prompt payment (*provided*, that with respect to the initial MCC Disbursement this condition shall apply to payments made pursuant to the CIF Letter Agreement as of the date of the MCC Disbursement Request);

(xi) All reports (including financial reports) and other documents have been posted on the MCA-Benin Website as required by Annex I of the Compact, including:

(1) Updated information derived from Procurement Plan and as contained in the General Procurement Notice, as approved by MCC, that forecasts the procurement activities under the Program for at least the upcoming six-month period; and

(2) All notices of procurement actions in accordance with the Procurement Guidelines;

(xii) (1) The Government has obtained, or has caused to be obtained, in form and substance satisfactory to MCC the insurance or other coverage required under Section 3.9 of

the Compact, and Section 3(d)(ii)(4) of Annex I of the Compact and satisfied any payment obligations pursuant to the Compact, or the Government has otherwise satisfied the requirements of such sections, in connection with the Disbursement Period or the activities to be performed or funded during the Disbursement Period covered by such MCC Disbursement Request (and attaching evidence thereof), and (2) MCA-Benin has obtained any insurance or other coverage to be obtained by MCA-Benin as reflected in the Detailed Financial Plan, and such insurance or other coverage is in full force and effect; *provided*, with respect to the initial MCC Disbursement the condition of this clause (2) shall not apply;

(xiii) Attached thereto is a true, correct and complete copy of each report MCA-Benin is required to deliver under Section 3.4 and 3.5 hereof;

(xiv) All of the conditions set forth in Section 3.6 have been satisfied and such certifications related thereto are true, complete and correct as of the date of such MCC Disbursement; and

(xv) True, correct and complete copies of all reports required under the M&E Plan, Work Plans and other components of the Implementation Plan have been delivered to MCC prior to the date of the MCC Disbursement Request.

With respect to the initial MCC Disbursement or MCC Disbursement prior to the expiration of the initial operating period, this MCA-Benin Certificate may be delivered by the National Coordination Unit, in form and substance acceptable to MCC, as if each certification were made by the National Coordination Unit, and with respect to the representations and warranties in Section 2.2, as if such representations and warranties were made by the National Coordination Unit as of the date of the MCC Disbursement Request and as of the date of the MCC Disbursement, and the National Coordination Unit shall certify that the execution and delivery of the MCC Disbursement Request by the National Coordination Unit is duly authorized, and the National Coordination Unit is duly authorized to act in all respects in the place of MCA-Benin in connection with the initial MCC Disbursement (and each subsequent MCC Disbursement Request prior to the expiration of the initial operating period);

(c) Ministry Certificate. A certificate signed by the Ministry Principal Representative, dated as of the date of such MCC Disbursement Request (“*Ministry Certificate*”), certifying that, other than as specifically provided therein, as of the date of the MCC Disbursement Request and the applicable MCC Disbursement (i) all of the Ministry representations required by Section 2.1 are true, correct and complete in all material respects as of such date and (ii) all of the conditions set forth in Section 3.2 that are applicable exclusively to the Government have been satisfied;

(d) Fiscal Agent Certificate. A certificate signed by a duly authorized representative of the Fiscal Agent, satisfactory to MCC in form and substance, dated as of the date of such MCC Disbursement Request, certifying: (i) that all of the representations made by the Fiscal Agent in Section 4.1 of the Fiscal Agent Agreement are true, correct and complete in all material respects as though made on the date of such MCC Disbursement Request and on the date of such MCC Disbursement, if any, and there has been no material default or breach of the Fiscal Agent Agreement; (ii) the execution and delivery of the MCC Disbursement Request and the Financial Report by the Fiscal Agent have been duly authorized by the Fiscal Agent, (iii) that all the financial information including without limitation regarding the Permitted Account(s) and the

statements of cash expenditures and commitments contained in the Financial Report are true, correct and complete and the statement of cash requirements is reasonable and consistent with the approved Detailed Financial Plan delivered with the applicable MCC Disbursement Request; (iv) that all Taxes paid in the immediately previous Disbursement Period (or Quarter in event that prior submission was a Section 1.1(c) Certificate) have been reimbursed by the Government in accordance with the Compact and as specified in any Supplemental Agreement; (v) that all Accrued Interest held in the Permitted Accounts as of the end of the preceding Quarter, if applicable, has been returned to the account designated by MCC; (vi) all parties have substantially adhered to the requirements of the Bank Agreement; (vii) MCA-Benin has maintained since the last MCC Disbursement Request (or Section 1.1(c) Certificate, as applicable) a standard of thirty (30) days to pay invoices, such prompt payment evidenced by and reported in each of the monthly reports delivered by the Fiscal Agent to MCA-Benin, (viii) the Fiscal Agent is not aware of any transactions related to the Program involving a prohibited source or restricted party or any other violation of the requirements on use of MCC Funding, and (ix) as to such other matters or other certifications as may be required by the Fiscal Agent Agreement or other relevant Supplemental Agreement or reasonably requested by MCC, which certification shall be true, correct and complete;

(e) Procurement Agent Certificate. A certificate of the Procurement Agent, signed by a duly authorized representative of the Procurement Agent, dated as of the date of such MCC Disbursement Request, certifying: (i) that all of the representations made by the Procurement Agent in Section 4.1 of the Procurement Agent Agreement are true, correct and complete in all material respects as though made on the date of such MCC Disbursement Request and on the date of such MCC Disbursement, if any, and there has been no material breach or default of the Procurement Agent Agreement; (ii) that MCA-Benin or National Coordination Unit, as applicable, is not in material default of any of its obligations under the Procurement Agreement and all parties have substantially adhered to the requirements of the Procurement Agreement; (iii) the Procurement Agent is not aware of any transactions related to the Program involving a prohibited source or restricted party or any other violation of the requirements on use of MCC Funding, and (iv) as to such other matters or other certifications as may be required under the Procurement Agent Agreement or other relevant Supplemental Agreement or reasonably requested by MCC, which certification shall be true, correct and complete;

(f) Audit Report. If required by the Audit Plan in respect of such Disbursement Period, an audit report, in accordance with the Compact and the Audit Plan;

(g) Modification of Financial Plan. To the extent applicable to the MCC Disbursement, a written modification executed by MCC and the Government as required by Section 4 of Annex II for purposes of modifying the Multi-Year Financial Plan; and

(h) Other Documents. Such other documents as MCC may require or request from time to time.

### Section 3.3 Deliveries upon the Expiration of the Initial Operating Period.

Following the expiration of the initial operating period, as such period is described in Section 3(b)(ii) of Annex I of the Compact (“*Initial Operating Period*”), as a condition precedent to the MCC Disbursement immediately following the expiration of the Initial Operating Period and in

no event later than as a condition precedent to the third Quarter in the first year of the Compact Term, MCA-Benin shall deliver, or ensure delivery of, the following documents to MCC:

(a) Initial Operating Period Expiration Certificate. A certificate signed by the National Coordinator and the Chair dated as of such MCC Disbursement Request and satisfactory to MCC in form and substance, certifying that attached thereto are true, accurate and complete copies of the following documents, in form and substance satisfactory to MCC, together with the following certifications as to such documents made by the Chair and the National Coordinator:

(i) A copy of this Agreement and the Procurement Agreement, each duly approved by the Board and duly executed by MCA-Benin, in full force and effect without alteration or suspension;

(ii) Each Permit necessary or appropriate in connection with the due execution and delivery of, and performance by, MCA-Benin of its obligations hereunder and under any Compact Document has been obtained, is in full force and effect and is non-appealable;

(iii) The Governing Documents, each duly executed and delivered and in full force and effect as of the date of the applicable MCC Disbursement Request and date of the applicable MCC Disbursement, without any alteration or suspension of any kind, and any other duly executed and delivered documents in full force and effect, and any amendments thereto, evidencing that MCA-Benin is duly formed, organized as the type of entity identified in the certificate and in good standing under the laws of Benin and in accordance with the Compact and is authorized to perform those Government Responsibilities and any rights and other obligations and responsibilities of the Government as may be designated to be carried out by MCA-Benin in the Compact Documents or in any other Supplemental Agreements;

(iv) An employment agreement between the National Coordinator and MCA-Benin, duly approved by the Board of MCA-Benin and MCC (attaching evidence thereof), executed and delivered and in full force and effect as of the date of the applicable MCC Disbursement Request and the applicable MCC Disbursement;

(v) The incumbency and specimen signatures of the Chair and the National Coordinator, as of the date of the applicable MCC Disbursement Request and the applicable MCC Disbursement;

(vi) That certain designation by the President of the Republic of Benin and acknowledged by MCA-Benin, duly approved by the Board (attaching evidence thereof) and subject to MCC approval, executed prior to or as of, and in full force and effect as of, the date of the applicable MCC Disbursement Request and the applicable MCC Disbursement;

(vii) Evidence that each of the following agreements has been duly authorized and executed by MCA-Benin, and in full force and effect without alteration or modification: (1) the Fiscal Agent Agreement, (2) the Procurement Agent Agreement, and (3) the Bank Agreement; and

(viii) Evidence that as of the date of the applicable MCC Disbursement Request and the applicable MCC Disbursement each of the following has been duly adopted (and ratified

as applicable) by the Board, each as delivered pursuant to Section 3.1 in connection with the initial MCC Disbursement, without alteration or suspension of any kind: (1) the Financial Plan for the Program and each Project and the Detailed Financial Plan, (2) the Fiscal Accountability Plan and the Interim Fiscal Accountability Plan (delivered prior to the initial CIF Disbursement), (3) the Procurement Guidelines, and (4) the M&E Plan, as approved by MCC;

(b) An opinion of counsel to MCA-Benin addressed to MCC; and

(c) A written waiver and acknowledgement executed by the National Coordinator dated on or before the date of the applicable MCC Disbursement Request regarding the fiduciary duty of any MCC representative consistent with Section 3(d)(ii)(4) of Annex I of the Compact.

Section 3.4 Deliveries Every Six Months. Unless otherwise agreed in writing by the Parties, MCA-Benin shall deliver, or cause the delivery of, the following documents to MCC every six months or such other time period as the Parties may agree in writing, in form and substance satisfactory to MCC, attached to an MCA-Benin Certificate under Section 3.2(b) above starting with the delivery prior to the commencement of Quarter 3 and every six months thereafter:

(a) A performance review report on compliance with the Environmental Guidelines (as amended from time to time) and environmental and social safeguards described in the Compact and any relevant Supplemental Agreement (for the prior two Quarters, unless the Parties otherwise agree in writing); and

(b) (i) A financial audit report in accordance with the Compact and Audit Plan for the prior two Quarters (or such other period as the Audit Plan may require or such other period as may be necessary to cover the Compact Implementation Funding); (ii) a performance review report on compliance with the Fiscal Accountability Plan for the period covered by the financial audit report; (iii) a performance review report on compliance with the Procurement Guidelines for the period covered by the financial audit report; and (iv) upon MCC's request, true, correct and complete copies of any audit report resulting from audits performed as a requirement of Benin laws or regulations. Upon MCC's request, MCA-Benin shall ensure simultaneous delivery by the Auditor of the financial audit report to MCA-Benin, MCC and the Inspector General.

Section 3.5 Deliveries Every Twelve Months. Unless the Parties otherwise agree in writing, MCA-Benin shall deliver, or cause the delivery of, the following documents to MCC every twelve months, each in form and substance satisfactory to MCC, attached to an MCA-Benin Certificate under Section 3.2(b) above starting with the delivery prior to commencement of Quarter 1, Year 2 (unless otherwise noted below) and every twelve months thereafter:

(a) (i) Certified copies of Board minutes and resolutions and other charter documents or other internal regulations adopted in the prior year, (ii) certified copies of any Advisory Council minutes or material communications in the prior twelve months, (iii) evidence that MCA-Benin is in good standing in Benin and (iv) certified copies of evidence of the adoption of any modifications to the Governing Documents mutually agreed upon by the Parties (submitted within thirty (30) days of the end of each calendar year);

(b) (i) The most recently adopted annual national budget and any amendments or revisions thereto, (ii) the comprehensive budget for each entity related to the Program reflecting

from all sources, including the annual national budget, extra-budgetary or off-budget funds, and state-owned enterprises that conduct activities for a public purpose and donors, to ensure the establishment of a baseline for allocation of domestic resources and (iii) a report of actual expenditures of all resources for each entity related to the Program (submitted within ten (10) days after the adoption of the law approving the execution of the national budget); *provided, however*, for the first anniversary, the report shall be for Benin's fiscal year 2006 and for each year thereafter, the report shall be for the immediately preceding fiscal year;

(c) Evidence that the Government has reflected the financial activity of the Program in the budget documents of Benin on a multi-year basis (to be submitted within thirty (30) days of the end of each calendar year);

(d) Certification of review and approval of the M&E Plan by the Board (which shall be submitted to MCC on the yearly anniversary of the Quarter immediately following expiration of the Initial Operating Period);

(e) The detailed break-out of the conditions precedent and any other modifications or adjustments to the conditions precedent as referred to in Section 3.8;

(f) Evidence that the upcoming annual contribution by the Government of the Government Funds as specified in Annex II of the Compact has been committed under the applicable finance law of Benin and national budget and disbursement has been made by the Government to the account designated for this purpose;

(g) An annual report, in the form attached hereto as Exhibit D including the Annex D attached thereto or such other form as may be specified by MCC, providing a comprehensive overview of the progress toward achieving the Compact Goal and Objectives over the preceding year, such report to contain information required in the Quarterly Progress Report as well as additional information as MCC may request including regarding the consultative process, donor coordination, lessons learned and best practices, and other data or information (which shall be submitted to MCC within thirty (30) days of the end of the U.S. Government fiscal year, or such other period as specified by MCC), which report shall be completed in accordance with the guidance and procedures provided by MCC from time to time;

(h) An updated Annex I to the Allocation Agreement, such updated annex agreed by the Parties in writing, regarding the break-out of the allocation of the Government Funds for the upcoming year; and

(i) Evidence that all necessary approvals have been obtained from the BCEAO (and the Ministry of Development, Economy and Finances as necessary) and remain in full force and effect for the Permitted Accounts.

**Section 3.6 Other Conditions Precedent to MCC Disbursements.** Prior to the commencement of any Quarter, and as a condition precedent to each MCC Disbursement, if any, MCA-Benin shall satisfy, as MCC determines in its sole discretion, any conditions relevant to such MCC Disbursement as set forth in: (x) Schedule 1 (Additional Conditions Precedent) attached hereto; (y) any component document of the Implementation Plan; and (z) each of the following conditions; *provided* that paragraphs (c) through (h) shall not apply to the initial MCC Disbursement:

(a) There has been no material negative finding in any financial audit report delivered under Section 3.4(b)(i);

(b) The conditions to which MCA-Benin has certified in the MCA-Benin Certificate under Section 3.2(b) have been satisfied and are true, correct and complete as of the date of such MCC Disbursement;

(c) There has been (i) satisfactory progress on the Work Plans for any relevant Program administration activities, M&E activities, Projects or Project Activities (or sub-activities) related to such MCC Disbursement, if any, including actual compliance with any conditions precedent to such MCC Disbursement set forth therein and (ii) substantial compliance with the other requirements of such Work Plans, including any applicable reporting requirements for the relevant Disbursement Period;

(d) There has been (i) satisfactory progress on the M&E Plan for the Program, relevant Project or Project Activity and (ii) substantial compliance with the requirements of such M&E Plan (including the targets as set forth therein (except for the targets specified in Schedule 1 to this Agreement, which shall require full compliance with the targets specified in Schedule 1) and any applicable reporting requirements set forth therein for the relevant Disbursement Period);

(e) There has been satisfactory compliance with the Procurement Plan and Procurement Agreement, including any applicable reporting requirements under the Procurement Agreement for the relevant Disbursement Period;

(f) There has been satisfactory compliance with the Audit Plan for the relevant Disbursement Period;

(g) MCA-Benin has provided a satisfactory written response to (i) any audit findings that have been issued prior to thirty (30) days before the date of the MCC Disbursement Request, (ii) any findings from the data quality reviews that have been issued prior to thirty (30) days before the date of the MCC Disbursement Request, and (iii) any findings by the Fiscal Agent;

(h) The Government has funded any environmental mitigation and resettlement costs not already included in the Detailed Financial Plan;

(i) There has been no material breach or default of the CIF Letter Agreement, to the extent such agreement is still in effect;

(j) There has been no material breach or default of the Allocation Agreement or any other Compact Document;

(k) Any necessary preceding steps in the sequence for any Program or Project Activity as provided in Schedule 1 (and each Annual Supplement as applicable) or the Work Plans have been satisfactorily completed for each such activity for which MCC Funding is requested in the MCC Disbursement Request (or relevant to the Disbursement Period covered by the Section 1.1(c) Certificate) and no material adverse change in any of the preceding steps or activities has occurred, each in MCC's sole determination;

(l) MCA-Benin has delivered to MCC any reports required under the Compact Documents, including Section 3.12 of the Compact, and any other reports specified under any other Supplemental Agreement;

(m) No event, circumstance or condition that constitutes a Material Adverse Change shall have occurred and be continuing in its effects;

(n) (i) All Taxes paid in connection with the Program during the immediately preceding Quarter have been reimbursed by the Government in full in accordance with Section 2.3(e) of the Compact and the tax exemption certificate delivered in connection with the initial MCC Disbursement remains in full force and effect and (ii) all Accrued Interest held in the Permitted Accounts as of the end of the preceding Quarter has been returned to the account designated by MCC;

(o) The Government has satisfied in full all of its payment obligations, including any insurance, indemnification or other obligations, and has made all contributions of resources owed by the Government under the Compact Documents;

(p) MCA-Benin has notified MCC of any modification, rescission, termination or suspension of any document and of any modification to any statement contained in any certificate or report delivered with or at the time of such MCC Disbursement Request (or such Section 1.1(c) Certificate) such that if any such certification as to such document or statement were delivered as of the date of such MCC Disbursement or first day of the relevant Disbursement Period in the case of a Section 1.1(c) Certificate, it would be true, complete and correct; and

(q) MCC has not determined, in its sole discretion, that an act, omission, condition, or event has occurred that would be the basis for MCC to suspend or terminate, in whole or in part, MCC Funding in accordance with Section 5.4(b) of the Compact.

**Section 3.7 Conditions Precedent to Re-Disbursements.** Prior to, and as condition precedent to, any Re-Disbursement: (a) the Fiscal Agent shall have received adequate documentary evidence of, any necessary approvals for such Re-Disbursement as provided in the Compact, the Governing Documents, the Procurement Agreement, the Fiscal Accountability Plan and in any other applicable Supplemental Agreement; (b) all relevant conditions for such Re-Disbursement as provided in this Agreement, including in Section 1.2, this Article III, and Schedule 1 attached hereto (and any Annual Supplement), any other Compact Document, the Implementation Plan or in any applicable Supplemental Agreement, shall have been satisfied; and (c) the Fiscal Agent shall have received all documents required in connection with such Re-Disbursement under the Fiscal Agent Agreement, the Fiscal Accountability Plan and any other Supplemental Agreement.

**Section 3.8 Failure to Satisfy Conditions Precedent; Deferral.**

(a) MCC may reduce the amount of any MCC Disbursement by an amount equal to the amount requested for any Program activity (including administrative or monitoring and evaluation), Project, Project Activity, or sub-activity for which the relevant condition precedent(s) has not been satisfied, waived or deferred.

(b) In the event of failure, in whole or in part, to meet a condition precedent, MCC shall not have an obligation to make an MCC Disbursement unless such condition is waived by MCC or such failure is cured to the satisfaction of MCC. Any such waiver or acceptance of a cure shall be at MCC's sole discretion.

(c) Notwithstanding Section 3.8(b), MCC may defer all or part of a condition precedent rather than waive it, in which case the condition must be met by the expiration of the deferral period stated in the notice delivered by MCC to MCA-Benin as a condition precedent to the next stated applicable MCC Disbursement, and in no event shall such deferred condition be deemed waived.

Section 3.9 Annual Supplement to this Agreement. Prior to each anniversary of Entry into Force, the Parties shall agree in writing to a detailed breakdown of the conditions precedent and any other modifications or adjustments to the conditions precedent for the next four Quarters and any other modifications or adjustments to the conditions precedent ("*Annual Supplement*"), and Schedule 1 shall be adjusted accordingly as reflected in the Annual Supplement and such Annual Supplement shall replace the then-existing Schedule 1 and be in effect thereafter until the next Annual Supplement.

Section 3.10 Reports. Any report required as a condition precedent to an MCC Disbursement shall be provided to MCC (a) in form and substance acceptable to MCC and otherwise meeting the reporting specifications for such report and (b) in the time period specified by MCC guidelines and procedures or otherwise, if not specified, in a timely manner that affords reasonable and appropriate review of such reports.

Section 3.11 Satisfaction of Conditions in Absence of Disbursement. The conditions precedent in Section 3.2 through 3.6 shall apply regardless of whether a MCC Disbursement is requested by MCA-Benin. In any quarter that MCA-Benin does not request a MCC Disbursement under this Agreement, MCA-Benin shall nevertheless ensure that the applicable quarterly, semi-annual or annual conditions precedents are satisfied and shall present a complete MCC Disbursement Request prior to the commencement of such Quarter, including any reports required by any Compact Document.

## ARTICLE IV.

### GENERAL PROVISIONS

Section 4.1 Ministry Responsibility; Further Assurances. Notwithstanding any other provision of this Agreement, (a) the Ministry shall retain overall responsibility for ensuring compliance with this Agreement by any Government Affiliate, MCA-Benin and any other Permitted Designee and (b) the Ministry shall ensure that actions required to be taken by MCA-Benin (and any Permitted Designee acting in its place during the initial operating period) under this Agreement are taken and that all other obligations of MCA-Benin (and any Permitted Designee acting in its place during the initial operating period) are duly fulfilled. The Ministry promptly shall do and perform, or shall cause to be done or performed, such other and further acts, and shall take all necessary and appropriate actions to bring into effect this Agreement with respect to MCA-Benin.

Section 4.2 Initial Operating Period; Subsequent Formation.

(a) Notwithstanding any other provision of this Agreement, during the first 180 days following Entry into Force, (i) any authorization, certification or other action required to be taken by, or obligation of, the Chair may be taken by, and shall become obligations of, the Principal Representative of the Ministry or chair of the board of directors of the National Coordination Unit; (ii) any certificates or other action required to be taken by, or obligations of, the National Coordinator or any Officer of MCA-Benin may be taken by, and shall become obligations of, the authorized agent for, or the national coordinator of, the National Coordination Unit, and (iii) any action required of MCA-Benin may be taken by, and shall become an obligation of, the National Coordination Unit and any obligation owed to MCA-Benin shall be owed to the National Coordination Unit.

(b) As of the Effective Date, MCA-Benin has not been established and the National Coordination Unit has been designated as a Permitted Designee by the President of the Republic of Benin, on behalf of the Government, to act in place of MCA-Benin during the initial operating period. Following the establishment of MCA-Benin and as of the date of the execution of this Agreement by MCA-Benin (such date the “*MCA Effective Date*”), as such is indicated below MCA-Benin’s signature on the signature page, MCA-Benin shall become a party to this Agreement.

Section 4.3 Communications. Any notice, request, document or other communication required, permitted or submitted by a Party to another Party under this Agreement shall be (a) in writing, (b) in English, and (c) deemed duly given: (i) upon personal delivery to the Party or Parties to be notified; (ii) when sent by confirmed facsimile or electronic mail, if sent during normal business hours of the recipient Party or Parties, if not, then on the next business day; or (iii) three (3) business days after deposit with an internationally recognized overnight courier, specifying next day delivery, with written verification of receipt to the Party or Parties to be notified at the address indicated below, or at such other address as such Party may designate by notice to the other Parties:

To MCC:

Millennium Challenge Corporation

Attention: Vice President, Department of Operations, with a copy to the General Counsel

875 Fifteenth Street, NW

Washington, DC 20005

United States of America

Fascimile: (202) 521-3701

To the Ministry:

Ministry of Development, Economy, and Finances of the Republic of Benin

Attention: Minister of Development, Economy and Finances, acting as Principal

Representative of the Ministry

Route de l’Aéroport

P.O. Box 302

Cotonou, Republic of Benin

Fascimile: 229 21 30 18 51

To the National Coordination Unit:

National Coordination Unit of the Benin Program for the Millennium Challenge Account  
Attention: Agent for, or national coordinator of, the National Coordination Unit  
6<sup>th</sup> Floor  
Espace Dina  
Boulevard Saint Michel  
Cotonou, Republic of Benin  
Facsimile: 229 21 32 83 22

To MCA-Benin (upon joining this Agreement):

MCA-Benin  
Attention: National Coordinator  
6<sup>th</sup> Floor  
Espace Dina  
Boulevard Saint Michel  
Cotonou, Benin  
Facsimile: 229 21 32 83 22

Whenever the time for giving a notice or performance or action under this Agreement falls on a day that is not a business day, such time shall be extended to the next day that is a business day.

Section 4.4 Amendments; Waivers. The Parties may amend this Agreement by entering into a written amendment to this Agreement signed by the Principal Representatives of the Parties. The Parties further agree that any waiver, permit, consent or approval of any kind or character on any Party's part of any breach, default or noncompliance under this Agreement or any other Compact Document or any waiver or deferral on such Party's part of any provisions or conditions of this Agreement or any other Compact Document must be in writing and shall be effective only to the extent specifically set forth in such writing.

Section 4.5 Publicity. Subject to Section 5.17 of the Compact, MCA-Benin shall post, or cause to be posted, in English, a copy of this Agreement and such other materials as MCC may request, on the MCA-Benin Website, in English, and provide such other appropriate publicity to this Agreement that MCC requests.

Section 4.6 Nonwaiver of Remedies.

(a) The Parties agree that no delay or omission to exercise any right, power or remedy accruing to any Party, upon any breach, default or noncompliance by another Party under this Agreement or any other Compact Document, shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of any similar breach, default or noncompliance thereafter occurring.

(b) All remedies, either under this Agreement, by applicable law or otherwise afforded to any Party, shall be cumulative and not alternative.

Section 4.7 Attachments. Any exhibit, schedule or other attachment expressly attached hereto (together, the "**Attachments**") is incorporated herein by reference and shall constitute an integral part of this Agreement.

Section 4.8 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, the terms of this Agreement shall prevail.

Section 4.9 Headings. The Section and Subsection headings used in this Agreement are included for convenience only and are not to be considered in construing or interpreting this Agreement.

Section 4.10 Severability. If one or more provisions of this Agreement are held to be unenforceable under any applicable law, such provision(s) shall be excluded from this Agreement and the balance of this Agreement shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

Section 4.11 Written Consents, Approvals and Notices. Notices, permits, consents, licenses, approvals and authorizations, and any equivalent actions, to be provided or made hereunder shall only be effective if done in writing.

Section 4.12 Rules of Interpretation. The following rules of construction shall be followed when interpreting this Agreement:

- (a) Words importing the singular also include the plural and vice versa;
- (b) References to natural persons or parties include firms or any other entity having legal capacity;
- (c) Words importing one gender include the other gender;
- (d) The words “include,” “including” and variants thereof mean “includes, but not limited to” and corresponding variant expressions;
- (e) Except as otherwise set forth herein, all references contained herein to the Compact, any Supplemental Agreements, contracts, or other documents shall be deemed to mean the Compact, such Supplemental Agreements, contracts, or documents, as the same may be modified, supplemented, or amended from time to time;
- (f) Each reference to any applicable law shall be construed as a reference to such applicable law as it may have been, or may from time to time be, amended, replaced, extended or re-enacted and shall include any subordinate legislation, rule or regulation promulgated under any such applicable law and all protocols, codes, proclamations and ordinances issued or otherwise applicable under any such law;
- (g) Except as otherwise expressly specified herein, any reference to a Section, clause or Schedule shall mean a Section, clause or Schedule of this Agreement;
- (h) The terms “hereof,” “herein,” “hereto,” “hereunder” and words of similar or like import, refer to this entire Agreement and not any one particular Article, Section, Schedule, or other subdivision of this Agreement;

(i) Any reference to “business days” shall mean any day other than a Saturday, Sunday, commercial banking holiday in Cotonou, Benin or Washington, D.C., United States, or a federal or national holiday in Benin or the United States of America; and any reference to “day” shall mean a calendar day;

(j) All references to notices, permits, licenses, consents, approvals, and authorizations and any equivalent actions hereunder shall mean written notices, permits, licenses, consents, approvals, and authorizations in accordance with Section 4.11;

(k) Phrases such as “acceptable to,” “to the satisfaction of”, “at the discretion of” and phrases of similar import authorize and permit the relevant Party to approve, disapprove, act, or decline to act at such Party’s sole discretion; and

(l) Any reference to “month,” “quarter,” or “year” shall have the common meaning given such terms based on a calendar year beginning on January 1 and ending on December 31 and divided into four approximately equal quarters beginning on each January 1, April 1, July 1 and October 1 of each such respective calendar year. “Quarter” shall have the meaning ascribed to such term in Schedule 2.

Section 4.13 Counterparts; Signatures. This Agreement may be executed in one or more counterpart signatures and, each counterpart when so executed and delivered, shall be effective for the purposes of binding the Parties hereto, but all such counterparts shall together constitute one and the same instrument. Except as the Parties may otherwise agree in writing from time to time, a signature delivered by facsimile or electronic mail in accordance with Section 4.3 shall be deemed an original signature, and the Parties hereby waive any objection to such signature or to the validity of the underlying agreement, instrument or document on the basis of the signature’s legal effect, validity or enforceability solely because it is in facsimile or electronic form. Such signatures shall be accepted by the receiving Party as an original signature and shall be binding on the Party delivering such signature.

Section 4.14 Assignment. MCC may assign, delegate or contract its rights and obligations, in whole or in part, under this Agreement to any Affiliate, agent, or representative of MCC, to the full extent permitted by the laws of the United States of America, without the prior consent of the Ministry or MCA-Benin. MCC shall provide written notice to the other Parties upon the effectiveness of such assignment, delegation or contract. Neither the Ministry nor MCA-Benin may assign, delegate, or contract its rights and obligations under this Agreement, or revoke or rescind any prior assignment, delegation or contracting, without the prior written consent of MCC. In accordance with Section 3.2(c) of the Compact, MCC hereby consents to the designation of the Ministry to act on behalf of the Government and the National Coordination Unit to act in place of MCA-Benin in connection with this Agreement consistent with the Designated Rights and Responsibilities designated by the Government to the Ministry and to the National Coordination Unit respectively under the relevant designation, on or before the date hereof, so long as such designation is not modified or revoked.

Section 4.15 Entire Agreement. Except as expressly provided herein, this Agreement, including all Attachments, and all certificates, documents or agreements executed and delivered in connection with and in furtherance of this Agreement, when executed and delivered, shall constitute the entire agreement of the Parties with respect to the subject matter hereof,

superseding and extinguishing all prior agreements, understandings and representations and warranties relating to the subject matter hereof.

Section 4.16 Termination; Suspension; Other Consequences; Survival.

(a) MCC may terminate this Agreement in its entirety by giving the other Parties thirty (30) days' written notice.

(b) Notwithstanding any other provision of this Agreement or any other Supplemental Agreement between MCC and the Government (or any Government Affiliate), MCC may suspend or terminate this Agreement, in whole or in part, and any obligation or sub-obligation related thereto, or suspend or withhold any MCC Disbursement or portion thereof, upon giving MCA-Benin written notice, if MCC determines that:

(i) The Compact has expired or has been suspended or terminated in whole or in part in accordance with Section 5.4 of the Compact; *provided, however*, that this Agreement shall remain in effect for one hundred and twenty (120) days following the termination or expiration of the Compact or such other period as may be determined by MCC in accordance with Section 4.27; *provided, however*, no MCC Disbursement Request may be submitted after ninety (90) days following the termination or expiration of the Compact;

(ii) Any event that would be a basis for termination or suspension of the Compact or MCC Funding under Section 5.4 of the Compact has occurred;

(iii) Any Supplemental Agreement has been suspended or terminated in whole or in part, and such termination or suspension will have a material adverse effect on the purpose of this Agreement or the ability of the Government, MCA-Benin, another Permitted Designee or any Provider to implement any of their respective obligations and responsibilities under the Compact Documents;

(iv) The Government, any Government Affiliate (including Ministry and MCA-Benin) or other Permitted Designee, in MCC's sole opinion, has materially breached one or more of its representations or any other covenants, obligations or responsibilities under the Compact Documents;

(v) Any event that would be a basis for termination or suspension of a Supplemental Agreement in accordance with Section 5.4 of the Compact has occurred;

(vi) There has occurred, in MCC's sole opinion, a failure to meet a condition precedent or series of conditions precedent to MCC Disbursement(s) as set out in and in accordance with this Agreement or any other Compact Document; or

(vii) Any other event has occurred, or circumstance has arisen, which in the sole opinion of MCC, constitutes a Material Adverse Change.

(c) If MCC determines that any activity or failure to act violates, or may violate, Article II of the Compact, any provision of this Agreement or any other Compact Document, MCC may refuse to make any further MCC Disbursements for or conditioned upon such activity, and may take any action to prevent any Re-Disbursement related to such activity.

(d) Notwithstanding any expiration or termination of this Agreement, the following provisions of this Agreement shall survive: Article II (including any representations made pursuant to an MCC Disbursement Request or MCC Disbursement), Sections 1.2, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 4.10, 4.11, 4.12, 4.13, 4.15, this 4.16 , 4.17, 4.18, 4.19, 4.20, 4.21, 4.22, 4.23, 4.24, 4.25, 4.26, 4.27 and Schedule 2.

Section 4.17 MCC Status. Each of the Ministry and MCA-Benin recognizes and agrees that MCC is a United States Government corporation and an instrumentality of the United States Government acting on its behalf in the implementation of the Compact. As such and pursuant to Section 5.5 of the Compact, MCC has no liability under this Agreement and is immune from any action or proceeding arising under or relating to this Agreement. The Ministry and MCA-Benin each hereby waive and release (i) all claims against MCC related to any such liability and (ii) any rights to bring any proceeding against MCC in the courts or any other judicial or other body of Benin or in any other jurisdiction. Nothing in this Agreement shall be construed or interpreted as a waiver of any rights, privileges or immunities granted to MCC under the Compact.

Section 4.18 Representatives. For all purposes relevant to this Agreement, the Ministry shall be represented by the individual holding the position of, or acting as, the Minister of Development, Economy and Finances (the “**Ministry Principal Representative**”), MCC shall be represented by the individual holding the position of, or acting as, Vice President, Department of Operations (the “**MCC Principal Representative**”) and MCA-Benin shall be represented by the individual holding the position of, or acting as, National Coordinator of MCA-Benin (the “**MCA-Benin Principal Representative**,” and together with the Ministry Principal Representative, and the MCC Principal Representative, the “**Principal Representatives**”). Each Party, by written notice from its Principal Representative to each of the other Parties, may designate one or more additional representatives (each, an “**Additional Representative**”) for all purposes other than signing amendments to this Agreement. The names of each Party’s Principal Representative and its respective Additional Representatives shall be provided, with specimen signatures, to the other Parties and each Party may accept as duly authorized any instrument signed by each Principal Representative and Additional Representative relating to the implementation of this Agreement, until receipt of written notice of revocation of their authority. Each Party may replace its Principal Representative with a new representative of equivalent or higher rank upon written notice to the other Parties, which notice shall include the specimen signature of the new Principal Representative.

Section 4.19 Reports and Information.

(a) Any reports required pursuant to this Agreement shall be provided to MCC according to the timing specified in the applicable MCC guidance and otherwise in a timely manner and in form and substance satisfactory to MCC to afford reasonable and appropriate review of such reports.

(b) MCA-Benin shall deliver to MCC in a timely manner any information or document that arises under or is related to this Agreement that may be required for the fulfillment of the Government’s obligations under the reporting and audit requirements set forth in Section 3.8 of the Compact and any reporting requirements set forth in Section 3.12 of the Compact or as may be otherwise reasonably requested by MCC from time to time.

(c) MCC shall have the right to use any information, data, certificate or report provided to MCC under this Agreement for the purpose of satisfying MCC reporting requirements or in any other manner, including posting on the MCC website or otherwise make publicly available.

**Section 4.20 Other Compact Document Requirements.** The Ministry and MCA-Benin shall comply with all applicable terms and conditions and fulfill all applicable Government Responsibilities in the other Compact Documents, including paragraphs (a), (b), (c), (d) and (f) of Section 3.8 of the Compact (which paragraphs are hereby incorporated by reference herein), and any other audit or reporting requirements.

**Section 4.21 Consultation.** Any Party may, at any time, request consultations relating to the interpretation or implementation of this Agreement between the Parties. Such consultations shall begin at the earliest possible date. The request for consultations shall designate a representative for the requesting Party with the authority to enter consultations and the other Parties shall endeavor to designate a representative of equal or comparable rank. If such representatives are unable to resolve the matter within twenty (20) days from the commencement of the consultations then each Party shall forward the consultation to its respective Principal Representative or such other representative of comparable or higher rank. The consultations shall last no longer than forty-five (45) days from date of commencement. If the matter is not resolved within such time period, MCC may terminate this Agreement pursuant to Section 4.16(a). The Parties shall enter any such consultations guided by the principle of achieving the Compact Goal in a timely and cost-effective manner.

**Section 4.22 Governing Law.** The Parties agree and acknowledge that this Agreement is entered into for the purpose of implementing the Compact and is considered an implementing agreement of the Compact, and as such, it shall be interpreted in a manner consistent with the Compact and shall be governed by the principles of international law.

**Section 4.23 Relationship of the Parties.** This Agreement does not create a joint venture, partnership, or other similar relationship between the Parties.

**Section 4.24 Language.** This Agreement is prepared and executed in English and in the event of any ambiguity or conflict between this official English version and any other version translated into another language for the convenience of the Parties, this official English version shall prevail.

**Section 4.25 Confidentiality.** All documents, reports, cost estimates, technical data and other information concerning the Program that is not otherwise publicly available shall be treated by the Ministry and MCA-Benin confidentially in a reasonable and appropriate manner and in accordance with applicable professional standards, *provided, however*, (a) all such documents, reports, cost estimates, technical data and other information may be provided by MCC to any employees, contractors, agents, representatives of MCC, the Inspector General, the Government Accountability Office, or others designated by MCC and (b) MCA-Benin or MCC may post on their respective websites or otherwise make publicly available certain information, including financial reports and documents submitted to MCC pursuant to the Compact, this Agreement and any other Supplemental Agreement. Each of the Ministry and MCA-Benin shall ensure that only those with a need to know and under similar obligations of confidentiality shall have access to

any and all information, documents, cost estimates data and other information provided to such Party or otherwise generated in connection with this Agreement and the Program. MCA-Benin shall ensure that each Member, Officer and other employee of MCA-Benin complies with the confidentiality obligations set forth in this Section 4.25. MCA-Benin shall include obligations of confidentiality similar to those set forth in this Section 4.25 in the employment agreements of each Officer and other employee of MCA-Benin.

Section 4.26 Prohibited Actions.

(a) MCA-Benin shall ensure that each Member, each Officer and each other employee of MCA-Benin complies with the restrictions on payments to certain persons set forth in the Procurement Agreement, any conflict of interest and ethics regulations of MCA-Benin and any other related provisions of the applicable Beninese law.

(b) The Ministry and MCA-Benin shall ensure that no Member, Officer, any other employee, agent or representative of the Ministry or MCA-Benin (each, an “affiliate” for purposes of this Section 4.26(b)) shall participate in the selection, award, or administration of a contract, grant or other benefit or transaction financed in whole or in part (directly or indirectly) by MCC Funding in violation of Section 3.2(b) of the Compact.

Section 4.27 Effective Date; Term.

(a) This Agreement shall (i) become effective and enter into force as of the date hereof upon the signature of duly authorized representatives of MCC and the Ministry (the “**Effective Date**”) and effective as to MCA-Benin upon its joining this Agreement on the MCA Effective Date, and (ii) end one hundred twenty (120) days following the termination or expiration of the Compact; *provided, however*, that the term of this Agreement may be extended for a period that is longer than one hundred twenty (120) days following the termination or expiration of the Compact if MCC determines that Re-Disbursements related to obligations incurred prior to the expiration or termination of the Compact remain to be paid; *provided, further*, no MCC Disbursement Request may be submitted after ninety (90) days following the termination or expiration of the Compact.

(b) Prior to the expiration or termination of the Compact, the Parties shall consult in good faith with a view to reaching an agreement in writing on (i) the treatment of MCA-Benin following the expiration or termination of the Compact, (ii) the process for ensuring the refunds of MCC Disbursements that have not yet been released from any Permitted Account through a valid Re-Disbursement or otherwise committed in accordance with Section 5.4(e) of the Compact, and (iii) any other matter related to winding up of MCA-Benin, the Program, this Agreement, and any other the Compact Document.

Section 4.28 Information on Websites. Each of MCA-Benin and the Ministry hereby acknowledges that (i) certain requirements under this Agreement are based on information set forth on the MCC website and (ii) such Party has access to such website. Upon written request from MCA-Benin or the Ministry, MCC shall provide a written copy of such requested website information to the requesting party. Notwithstanding any other provision of this Agreement, any information or requirements set forth on the MCC website may be updated or amended at any time by MCC, which updates or amendments, when posted to the MCC website, shall be binding

upon the Parties; *provided, however*, that upon any such update or amendment, MCC shall notify MCA-Benin and the Ministry of such change within a reasonable time period thereafter, which notification MCC shall endeavor to make within thirty (30) days of such change.

**Signature page begins on the next page.**

IN WITNESS WHEREOF, each of the following Parties has caused this Agreement to be executed by a duly authorized representative as of the date first written above.

**MILLENNIUM CHALLENGE CORPORATION**

By: \_\_\_\_\_ / s / \_\_\_\_\_  
Name: John Hewko  
Title: Vice President for Operations

**MINISTRY OF DEVELOPMENT, ECONOMY AND FINANCES,  
on behalf of the GOVERNMENT OF THE REPUBLIC OF BENIN**

By: \_\_\_\_\_ / s / \_\_\_\_\_  
Name: Pascal I. Koupaki  
Title: Minister of Development, Economy and Finances

MCA-Benin, acting through its duly authorized representative, has joined this Agreement and shall be subject to its provisions as of the date first written below.

**MCA-BENIN**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## EXHIBIT A

### FORM OF MCC DISBURSEMENT REQUEST

<b>Country</b>	Republic of Benin	
<b>Projects</b>		
<b>Compact Date/ Entry into Force</b>	February 22, 2006/[_____]	
<b>Compact Number (noted on exchange of letters required for Entry into Force)</b>		
<b>Accountable Entity</b>	[_____] (“MCA-Benin”)	
<b>Fiscal Agent</b>		
<b>Request Date</b>		
<b>Disbursement Period Beginning Date</b>		
<b>Disbursement Period End Date</b>		
<b>Disbursement Request Number</b>		
<b>Currency</b>	US Dollars	
<b>Exchange Rate used to calculate U.S. Dollar equivalent of any local currency balance for purposes of this MCC Disbursement Request</b>		
<b>A. Disbursement Request:</b> The undersigned hereby requests the Millennium Challenge Corporation to disburse funds under the Compact as follows:		
1. Cash requested from the Millennium Challenge Corporation (amount in USD):	[US\$ ]	
2. Amount requested in words (in USD):	[ ]	US Dollars]
<b>B. Disbursement Request Calculation:</b>		
1. Total Forecasted Program Cash Requirements (from Financial Report):	[US\$ ]	
2. Interest to be Returned to the US Government Next Period:	[US\$ ]	
3. Working Capital Balance:	[US\$ ]	
4. Total (Lines 1 + 2 + 3):		[US\$ ]
5. Cash Balance at End of Current Period (from Financial Report):		[US\$ ]
6. Disbursement Request from MCC (Line 4 - Line 5):		[US\$ ]
7a. Cash Requirements for 1st Month of Next Period:	[US\$ ]	
7b. Cash Requirements for 2nd Month of Next Period:	[US\$ ]	
7c. Cash Requirements for 3rd Month of Next Period:	[US\$ ]	

**C. Compliance.** The undersigned confirms that the MCC Disbursement requested hereby is in accordance with the terms and conditions set forth in the Compact, the Disbursement Agreement (as defined below) and each Compact Document (as defined in the Disbursement Agreement), including the limitations on the use or treatment of MCC Funding set out in Section 2.3 of the Compact.

**D. Authorization:** The undersigned acknowledges that funds disbursed in accordance with this request will be deposited in a Permitted Account in accordance with the wiring instructions provided pursuant to Section 1(a)(iii) of the Disbursement Agreement dated as of [\_\_\_\_\_] by and among Ministry of Development, Economy and Finances, on behalf of the Government of the Republic of Benin, the Millennium Challenge Corporation and MCA-Benin (the "*Disbursement Agreement*").

**E. Certificates.** Attached hereto are the true, correct and complete certificates, reports and other deliverables required under Article III of the Disbursement Agreement.

**F. Definitions.** Capitalized terms used herein shall have the meanings assigned to such terms in the Compact by and between the Government of the Republic of Benin and the United States, acting through the Millennium Challenge Corporation, dated as of February 22, 2006 and entered into force on [\_\_\_\_\_].

**MCA-Benin**

**By:** \_\_\_\_\_  
**Name:** \_\_\_\_\_  
**Title:** \_\_\_\_\_  
**As the Authorized Principal Representative of MCA-Benin**  
**Date:** \_\_\_\_\_

**Certified by the Chair of the Board of MCA-Benin**

**By:** \_\_\_\_\_  
**Name:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

[\_\_\_\_\_] , as the Fiscal Agent

**By:** \_\_\_\_\_  
**Name:** \_\_\_\_\_  
**Title:** \_\_\_\_\_  
**As the Authorized Representative of the Fiscal Agent**  
**Date:** \_\_\_\_\_

**Signing only for the purposed of Section B of this MCC Disbursement Request and the Financial Report.**

**Wiring Instructions:**

## EXHIBIT B

### FORM OF CONDITIONS PRECEDENT REPORT\*

\*To be approved by the Board, certified by the Chair, and signed by the National Coordinator on behalf of MCA-Benin.

<b>Country:</b> Republic of Benin					
<b>Compact Number:</b> _____					
<b>Accountable Entity:</b> _____					
<b>Date:</b> _____					
<b>Millennium Challenge Corporation Disbursement Agreement - Conditions Precedent Report</b>					
Quarter <sup>1</sup>	Project/ Activity <sup>2</sup>	Condition Precedent	Status <sup>3</sup>	Relevant Documentation	Request for Deferral/Waiver and Justification
	Program – Administrative				
	Program – Monitoring and Evaluation				
	Project 1				

<sup>1</sup> This column will display relevant Disbursement Period applicable to the MCC Disbursement Request. Note if all conditions precedent relate to the same Quarter, this column may be reflected instead by a notation in the chapeau.

<sup>2</sup> Table will follow the Program, projects and activities set forth in the Disbursement Agreement. List each as applicable.

<sup>3</sup> Indicate whether condition is “satisfied,” “partially satisfied,” or “not satisfied.”

	Activity 1				
	Activity 2				
	Project 2				

**EXHIBIT C**  
**FORM OF FINANCIAL REPORT<sup>1</sup>**

**[SEE ATTACHED]**

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<sup>1</sup> To be approved by the Board and certified to by National Coordinator, Chair and Fiscal Agent.

Country: Republic of Benin

Accountable Entity: \_\_\_\_\_

Compact Number: \_\_\_\_\_

Date Submitted: \_\_\_\_\_

Financial Report submitted to Millennium Challenge Corporation

**A. Total Program Financial Plan Adjustment Request Form**

Disbursement Period: [Date] to [Date]

Program Activity (Main)	Original Program Multi-Year Financial Plan in Compact	Current Approved Financial Plan	Proposed Adjustments		Proposed Adjusted Multi-Year Financial Plan
			3 Increase (+)	4 Decrease (-)	
Program Activity (sub)	1	2			5
Program Activity CIF-related (sub)*		(from Schedule B, Column 5)			(total of 2 + 3 - 4)
	-	-	-	-	-
					-
					-
					-
	-	-	-	-	-
					-
					-
					-
	-	-	-	-	-
					-
					-
					-
					-
					-
<b>Grand Total**</b>	-	-	-	-	-

\*A total of [\$\_\_\_\_] in Compact Implementation Funding was provided prior to Entry into Force

\*\*Grand Total Equals Compact Implementation Funding + MCC Funding Under the Compact



Country: Republic of Benin

Accountable Entity: \_\_\_\_\_

Compact Number: \_\_\_\_\_

Date Submitted: \_\_\_\_\_

Financial Report submitted to Millennium Challenge Corporation

**C. Quarterly Financial Plan Adjustment Request Form**

Disbursement Period: [Date] to [Date]

Program Activity (Main)	Current Approved Cumulative Financial Plan Through Current Period	Proposed Adjustments to Cumulative Financial Plan Through Next Period		Proposed Cumulative Financial Plan Through Next Period
	1	2 Increase (+)	3 Decrease (-)	(total of 1 + 2 - 3)
Program Activity (sub)				
Program Activity CIF-Related (sub)*				
	-	-	-	-
				-
				-
	-	-	-	-
				-
				-
	-	-	-	-
				-
				-
	-	-	-	-
				-
				-
<b>Grand Total**</b>	-	-	-	-

\*A total of [\$\_\_\_\_\_] in Compact Implementation Funding was provided prior to Entry into Force

\*\*Grand Total Equals Compact Implementation Funding + MCC Funding Under the Compact





Country: Republic of Benin

Accountable Entity: \_\_\_\_\_

Compact Number: \_\_\_\_\_

Date Submitted: \_\_\_\_\_

Financial Report submitted to Millennium Challenge Corporation

Disbursement Period: [Date] to [Date]

**Cash Reconciliation**

1. Cash Balance From Beginning of Current Period		\$	-
2. a. Add: <i>MCC Disbursement Received and Date Received</i>			
2. b. <i>Interest Earned and Received</i>			
2. c. <i>Amount and Source of Other Cash Received</i>			
3. Total Sources of Cash This Period, (Lines 2.a + 2.b + 2.c)			
4. Total Cash Available, (Lines 1 + 3)			
5. a. Less: <i>Total Program Re-Disbursements</i>			
5. b. <i>Interest Returned to the US Government</i>			
6. Total Uses of Cash This Period, (Lines 5.a + 5.b)			
7. <b>Cash Balance at End of Disbursement Period, (Lines 4 - 6)</b>		\$	-

**Interest Summary**

1. Cumulative Interest Earned and Received as of Beginning of Current Period	\$	-	
2. Interest Earned and Received During the Current Period		-	
3. Total Interest Earned as of End of the Current Period, (Lines 1 + 2)		\$	-
4. Cumulative Interest Returned as of Beginning of the Current Period		-	
5. Interest Returned To the US Government During the Current Period		-	
6. Total Cumulative Interest Returned During the Current Period, (Lines 4 + 5)			-
7. <b>Interest Due to Be Returned, (Lines 3 - 6)</b>		\$	-

**EXHIBIT D**  
**Form of Quarterly Progress Report<sup>1</sup>**

Compact Country: \_\_\_\_\_

Compact Number: \_\_\_\_\_

Accountable Entity: \_\_\_\_\_

Reporting Period: \_\_\_\_\_

Report Date: \_\_\_\_\_

Contact Person and Title: \_\_\_\_\_

- A. Executive Summary:** Briefly summarize the principal accomplishments during the quarterly period, detailing progress made towards achievement of planned activities and expected results.
- B. Progress in Overall Program Implementation:** Briefly describe significant activities and accomplishments in the program's implementation framework that took place in the last quarter. Explain any major issues affecting the program's implementation that have occurred during the quarter which may affect performance or meeting conditions precedent.
- C. Progress in Project/Activity Implementation:** Based on the approved work plans, for each project, or activity if necessary:
- Describe the principal quarterly activities and accomplishments in the project based on the approved work plans, including activities underway, progress towards achieving conditions precedents, procurement actions, on-going consultative process, legislations passed, studies completed, contracts, etc.
  - Address and explain any significant deviation or modifications from the work plans and timelines, including change orders, and describe the implications for timing and cost. Please highlight any actual or planned modifications to procurement actions and ESA implementation.
  - Briefly discuss the environmental procedures implemented, licenses or certificates obtained, and progress made and outcome of implementing environmental and social impact mitigation actions (according to HIV/AIDS Awareness Plan, Environment Management Plan, etc.) taken during the reported quarterly performance period.

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<sup>1</sup> To be duly approved by the Board, certified by the Chair and signed by the National Coordinator of MCA-Benin

- Describe the major activities for the upcoming quarters as detailed in the approved work plans. Explain any significant modifications or changes to the approved work plans and detailed budgets, and any anticipated deferrals to conditions precedent or changes to procurement plans.
- For Infrastructure Projects, please complete the attached technical report.

- D. Program Management and Governance:** Briefly describe any significant issues related to MCA-Benin (or during the initial operating period, the National Coordination Unit), including significant activities, resolutions, and legislations affecting the entity, as well as the Stakeholders Group, Fiscal Agent and Procurement Agent(s).
- E. Key M&E Activities:** Briefly describe significant M&E activities that took place last quarter, including, surveys, M&E procurements, results of data quality reviews, evaluations, etc. Complete the Indicator Tracking Table for each project and activity.
- F. Implementation Impediments and Mitigation Measures:** Describe major impediments/problems to implementation related to Conditions Precedent, environment and social issues, technical, financial, procurement, or political developments, and mitigation measures/actions being taken or recommended to overcome them.
- G. Other Documentation:** List, briefly describe and attach any audit reports, technical documents (*i.e.*, surveys, reviews, evaluations, or construction supervisory reports), amendments, agreements or contracts, resolutions, certificates, licenses, permits, insurance and/or filings related to the projects and activities or that evidence achievement of conditions precedent in the reported quarterly performance period.
- H. Annexes:** Please complete and attach the following annexes:

- Annex A: Indicator Tracking Table**
- Annex B: Infrastructure Project Technical Report**
- Annex C: Other Technical Reports and Attachments**
- Annex D: Supplementary Report (fiscal year only)**

## ANNEX A: Indicator Tracking Table

Quarterly Indicator Tracking Table													
<b>Country:</b>													
<b>Project:</b>													
<b>Project Objective:</b>													
Indicators	Units	Baseline	Quarter (N)			Quarter 1 thru (N)			Annual Targets				
		Year 0	Actual	Target	%	Actual	Target	%	Year 1 Q1 Q4	Year 2 Q5 Q8	Year 3 Q9 Q12	Year 4 Q13 Q16	Year 5 Q17 Q20
Explanation of Deviations from Targets (if plus or minus 10%)													
Explanation of Deviations from Targets (if plus or minus 10%)													
Explanation of Deviations from Targets (if plus or minus 10%)													
Explanation of Deviations from Targets (if plus or minus 10%)													
Explanation of Deviations from Targets (if plus or minus 10%)													
Explanation of Deviations from Targets (if plus or minus 10%)													

## ANNEX B: Infrastructure Project Technical Report

Infrastructure Project: \_\_\_\_\_

### 1. Studies

Provide brief description and status of on-going or planned studies, if any, or state: “Studies completed”]

### 2. Civil Works

#### Progress of Civil Works through \_\_\_\_\_

Sub-Project	Studies (1)	Physical Progress this Quarter in % Actual/(Scheduled)	Physical Progress to Date in % Actual/(Scheduled)	Financial Progress this Quarter – Certified IPC (2) US\$/(% of Contract)	Financial Progress to Date – Certified IPC (2) US\$/(% of Contract)
PPP					
SRP					
SBP					
Total					

Notes: (1): Indicate status, such as completed, on-going, scheduled start date, not started, etc.

(2): IPC = Interim Payment Certificates

### 2.2 Civil Works Contractor(s)

#### Contract Details and Progress Summary

Name of Contractor	
Original Contract Amount	
Revised Contract Amount	
Date of Notice to Proceed	
Starting Date	
Original Contract Period (in calendar days)	
Revised Contract Period (in calendar days)	
Original Completion Date	
Revised Completion Date	
Time Lapsed Since Start (Calendar Days)	
Time Lapsed Since Start (% of Contract Period)	
Scheduled Progress to Date (%)	
Actual Progress to Date (%)	
Slippage (%)	
Scope of Work	[Brief description of works]
Value of Certified Interim Payment Certificates this Quarter (Amount)	
Value of Certified Interim Payment Certificates to Date (Amount)	
Value of Certified Interim Payment Certificates to Date (% of Contract Amount)	
Payments to Date (Amount)	
Retentions to Date (Amount)	

**2.3 Physical Works Completed to Date, Major Problems and Comments**

Physical Works Completed to Date	Major Problems Encountered	Actions Taken or Proposed	Comments

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**3. Construction Supervision Consultants**

**Contract Details and Progress Summary**

Name of Consultant	
Original Contract Amount	
Revised Contract Amount	
Date of Notice to Proceed	
Starting Date	
Original Completion Date	
Revised Completion Date	
Time Lapsed Since Start (Calendar Days)	
Time Lapsed Since Start (% of Contract Period)	
Payments this Quarter (Amount)	
Payments to Date (Amount)	
Payments to Date (% of Contract Amount)	

**3.1 Comments**

**ANNEX C: Other Technical Reports and Attachments**

**[Attach all relevant reports and attachments thereto]**

## ANNEX D: Supplementary Report

**Purpose:** The Supplementary Report provides additional information to the Quarterly Progress Report on accomplishments and developments of the Compact implementation related to the consultative process, donor coordination, and lessons learned, submitted following the end of each US fiscal year.

- A. Progress in Overall Compact Implementation Up-to-Date:** Based on the approved M&E Plan, describe the progress made in achieving Compact Goal and Project Objectives. Briefly discuss progress to-date on results achieved over the life of the program, with particular emphasis on results achieved during recently completed implementation year. Show results in the Annual Indicator Tracking Table.
- B. On-going Consultative Process:** Summarize principal issues and outcomes of on-going consultation with beneficiaries, civil society, private sector, donor community, and others and provide recommendations for more effective coordination practices, if any. Particularly, describe the nature and outcome of public consultations on ESA-related issues.
- C. Donor Coordination:** Describe coordination of MCC funding with other United States foreign assistance and/or other donor country/organizations in the previous year.
- D. Lessons-learned and Best Practices:** Describe key lessons-learned to-date and recommendations for implementation of best practices. Also provide success stories and anecdotes relating to the beneficiaries, projects, ESA-related activities, etc.

**EXHIBIT E**

**FORM OF PROCUREMENT PROGRESS REPORT**

**[SEE ATTACHED]**



**SCHEDULE 1**  
**ADDITIONAL CONDITIONS PRECEDENT**

**[SEE ATTACHED]**



\* = Relevant condition applies prior to the event specified or in the sequence as noted. \* Condition will be deemed to have been satisfied if results are within 10% of stated numeric target, evidenced in quarterly M&E performance report. References to "Year" or "Compact Year" shall mean the 12-month period commencing at Entry into Force and each year thereafter. "Quarter TBD" means that the condition will apply in a particular quarter to be determined for the year indicated. References to "MCA-Benin" shall mean MCA-Benin or mutually acceptable Permitted Designee during Initial Operating Period.

Program/Project/ Project Activity/Project Sub-activity (references to schedules in Annex I of the Compact)	Condition Precedent	Notes (including sequencing of condition precedent)	Implementation/Disbursement Period									
			Year 1				Year 2	Year 3	Year 4	Year 5		
			Q1	Q2	Q3	Q4						
27	Registration Activity (Section 2(b))	Approval by MCC and publication on the MCA-Benin Website of (i) site selection criteria which, among other considerations as set forth in the Compact, adequately reflects the situation of conflicts between local farmers and transnational herders, and (ii) the methodology for implementing these criteria.	Prior to any MCC Disbursement or Re-Disbursement; prior to Quarter 4, Year 1	•	•	•						
28	Expansion of formal registration of land rights in urban areas (Section 2(b)(i)(2) and (3))	The Implementing Entity for the sub-activity described in Section 2(b)(i) is selected by MCA-Benin, approved by MCC, and is engaged and remains in place during implementation of the Project.	Prior to any MCC Disbursement or Re-Disbursement, and for each quarter thereafter; prior to Year 2	•	•	•	•					
29		Policy and/or procedural changes as specified in the final approved assessment reports produced under the sub-activity described in Section 2(a)(i) (Conduct assessments that will inform policy decisions and the Land Project implementation strategies) are achieved, completed or implemented, as appropriate.	Progress, satisfactory to MCC, is required prior to Quarter 1, Year 2									
30			Progress, satisfactory to MCC, is required prior to Year 4 (Quarter TBD)									
31		A new procedural manual for the transformation of urban and rural certificates into land titles is prepared and adopted as called for in the sub-activity described in Section 2(a)(ii)(2).	Prior to Year 2 (Quarter TBD)									
32		The M&E Activity Indicator "Number of urban titles created through transformation of certificates" achieves its Year 2 target of 8500 titles* created under the Project.	Prior to Year 3 (Quarter TBD)									
33		The M&E Activity Indicator "Number of urban titles created through transformation of certificates" achieves its Year 3 target of 8500 additional titles* created under the Project.	Prior to Year 4 (Quarter TBD)									
34		The M&E Activity Indicator "Number of urban titles created through transformation of certificates" achieves its Year 4 target of 8500 additional titles* created under the Project.	Prior to Year 5 (Quarter TBD)									
35	Expansion of formal registration of land rights in rural areas (Section 2(b)(ii))	The Implementing Entity for the sub-activity described in Section 2(b)(ii) is selected by MCA-Benin, approved by MCC, and is engaged and remains in place during implementation of the Project.	Prior to any MCC Disbursement or Re-Disbursement, and for each quarter thereafter	•	•	•	•					
36		Policy and/or procedural changes as specified in the final approved assessment reports produced under the sub-activity described in Section 2(a)(i) (Conduct assessments that will inform policy decisions and the Land Project implementation strategies) are achieved, completed or implemented, as appropriate.	Progress, satisfactory to MCC, is required prior to Year 2 (Quarter TBD)									
37			Progress, satisfactory to MCC, is required prior to Year 4 (Quarter TBD)									
38		The M&E activity indicator "Number of rural land parcels covered by land titles or certificates" achieved its Year 2 target of 20,000 rural land parcels* covered through the Project.	Prior to Year 3 (Quarter TBD)									
39		The M&E activity indicator "Number of rural land parcels covered by land titles or certificates" achieved its Year 3 target of an additional 25,000 rural land parcels* covered through the Project.	Prior to Year 4 (Quarter TBD)									
40		The M&E activity indicator "Number of rural land parcels covered by land titles or certificates" achieved its Year 4 target of an additional 25,000 rural land parcels* covered through the Project.	Prior to Year 5 (Quarter TBD)									
41	Facilitate voluntary 'on-demand' conversion of rural land certificates to land titles (Section 2(b)(iii))	The Implementing Entity for the sub-activity described in Section 2(b)(ii) is selected by MCA-Benin, approved by MCC, and is engaged and remains in place during implementation of Project.	Prior to any MCC Disbursement or Re-Disbursement, and for each quarter thereafter; prior to Year 2	•	•	•	•					
42		Policy and/or procedural changes as specified in the final approved assessment reports produced under the sub-activity described in Section 2(a)(i) ("Conduct assessments that will inform policy decisions and the Land Project implementation strategies") are achieved, completed or implemented, as appropriate.	Progress, satisfactory to MCC, is required prior to Year 2 (Quarter TBD)									
43			Progress, satisfactory to MCC, is required prior to Year 4 (Quarter TBD)									
44		Sub-activity described in Section 2(a)(i)(2) ("A review of the processes for titling (conversion) and registration to identify specific bottlenecks ...") must be completed.	Prior to initiating this sub-activity	•	•	•	•	•	•	•	•	•
45	Surveying and Mapping (Section 2(b)(iv))	The Implementing Entity for the sub-activity described in Section 2(b)(iv) is selected by MCA-Benin, approved by MCC, and is engaged and remains in place during implementation of Project.	Prior to any MCC Disbursement or Re-Disbursement, and for each quarter thereafter	•	•	•	•					
46	Improvement of capacity of citizens, local authorities, and tribunals to resolve land disputes (Section 2(b)(v)(3))	Sub-activity described in Section 2(a)(i)(3) ("An assessment of the number and types of land conflicts ...in past rural and urban pilot activities ...") must be completed.	Prior to initiating this sub-activity; prior to Year 2 (Quarter TBD)	•	•	•	•					
47	<b>Services and Information Activity (2)(c)</b>											
48	Services and Information Activity (Section(2)(c))	The Implementing Entity for Project Activity described in Section 2(c), if required, is selected by MCA-Benin, approved by MCC, and is engaged and remains in place during implementation of the Project.	Prior to any MCC Disbursement or Re-Disbursement, and for each quarter thereafter; prior to Year 2	•	•	•	•					
49		Sub-activity described in Section 2(a)(i)(5) ("...compare technology options to meet information management needs at national, regional and local levels ...") is completed.	Prior to any MCC Disbursements or Re-Disbursements for Activity 2(c); prior to Year 2 (Quarter TBD)	•	•	•	•					
50	Assist in development of land administration capacity of appx. 24 communes (Section 2(c)(i)(1))	The M&E Activity Indicator "Number of communes with land services offices" achieves its Year 3 target of 12 communes*	Prior to Year 4 (Quarter TBD)									
51		The M&E Activity Indicator "Number of communes with land services offices" achieves its Year 4 target of 12 additional communes*	Prior to Year 5 (Quarter TBD)									
52	Design and implementation of parcel-based or cadastre-registration system (Section 2(c)(ii)(2))	The M&E Activity Indicator "Number of communes with new cadastre system installed" achieves its Year 2 target of 2 communes*	Prior to Year 3 (Quarter TBD)									
53		The M&E Activity Indicator "Number of communes with new cadastre system installed" achieves its Year 3 target of 5 additional communes*	Prior to Year 4 (Quarter TBD)									
54		The M&E Activity Indicator "Number of communes with new cadastre system installed" achieves its Year 4 target of 4 additional communes*	Prior to Year 5 (Quarter TBD)									
55	<b>IEC Activity - Schedule 1 Section 2(d) - None</b>											
56	<b>Support Strategy Activity - Schedule 1 Section 2(e) - None</b>											
57	<b>Access to Financial Services Project - Schedule 2 to Annex I</b>											
58	All Financial Services Project Activities as described in Schedule 2	Financial Services Project Director is selected and engaged, or in the event the position is vacated, MCA-Benin is actively recruiting.	Prior to any MCC Disbursement or Re-Disbursement; an acting or interim director of MCA-Benin may be appointed and engaged for a period of time agreed to in writing with MCC if a permanent director is selected but not yet engaged	•	•							

\* = Relevant condition applies prior to the event specified or in the sequence as noted. \* Condition will be deemed to have been satisfied if results are within 10% of stated numeric target, evidenced in quarterly M&E performance report. References to "Year" or "Compact Year" shall mean the 12-month period commencing at Entry into Force and each year thereafter. "Quarter TBD" means that the condition will apply in a particular quarter to be determined for the year indicated. References to "MCA-Benin" shall mean MCA-Benin or mutually acceptable Permitted Designee during Initial Operating Period.

Program/Project/ Project Activity/Project Sub-activity (references to schedules in Annex I of the Compact)	Condition Precedent	Notes (including sequencing of condition precedent)	Implementation/Disbursement Period																	
			Year 1				Year 2	Year 3	Year 4	Year 5										
			Q1	Q2	Q3	Q4														
59	Each component document of the Implementation Plan (including the Detailed Financial Plan, Procurement Plan, Work Plans and M&E Plans) is current and updated for the applicable Project Activity.	Prior to any MCC Disbursement or Re-Disbursement	•																	
60	The Financial Advisory Committee has been constituted and is holding periodic meetings.	At least once in each Compact Year; prior to MCC Disbursement for Quarter 1 of the subsequent Compact Year																		
61	The National Policy for Microfinance has been revised and adopted by the Government in form and substance satisfactory to MCC; any changes or revisions to the Policy in subsequent years are also acceptable to MCC.	Prior to Year 2 (Quarter TBD); any subsequent revisions to be submitted to MCC for approval prior to adoption by the Government																		
62 Capacity Building Activity - Schedule 2 Section 2(a)																				
63	Demand and Feasibility Assessments (Section 2(a)(i))	Consultant or firm for demand study is selected and engaged, and the contract has been approved by MCC if required under the Procurement Agreement.	•	•	•	•														
64	Financial Innovation and Expansion Challenge Facility (Section 2(a)(ii))	Data from demand study (Section 2(a)(i)(1)), including estimate of data on MSME wages and profits, has been analyzed and key findings shared.	•	•	•	•														
65		Data from feasibility and BDS studies (Section 2(a)(i)(2 and 3)) has been analyzed and key findings shared.																		
66		Manager of Challenge Facility has been selected and engaged, and the contract has been approved by MCC.	•	•	•	•														
67		MCC and MCA-Benin have approved the Manager of the Challenge Facility's submission of the operating guidelines and criteria for each component of the Challenge Facility, and any modifications thereafter have been approved by MCC and MCA-Benin.	•	•	•	•														
68		Funding agreements have been signed with entities receiving benefits to include annual performance benchmarks to indicate progress in meeting objectives, with the form of such agreements subject to the approval of MCA-Benin and MCC.	•	•	•	•				•	•	•	•							
69		MCC has not objected to any of the award decisions made by the Assessment Panel (defined in Work Plan).	•	•	•	•				•	•	•	•							
70 Financial Enabling Environment Activity - Schedule 2 Section 2(b)																				
71 Supervision of Microfinance - Section 2(b)(i)																				
72	Build capacity of Cellule de Microfinance; Improvement of rules and procedures for microfinance (Section 2(b)(i)(1) & (2))	The consultant for the needs assessment for the Cellule de Microfinance is selected and engaged, and the contract has been approved by MCC if required under the Procurement Agreement.	•	•	•	•														
73		The Government has developed a funding and sustainability plan for the Cellule de Microfinance that shows appropriate use of MCC Funding and is satisfactory to MCC.																		
74		The Government has committed to supporting the recommended changes to the Cellule de Microfinance, as identified in the needs assessment and as approved by MCC and MCA-Benin.																		
75		MCC has approved an annual report (provided by MCA-Benin) showing that the Government has shown a commitment to using its best efforts to adopt and implement those reasonable legal and regulatory reforms, if any, as identified in the stakeholder forums and in the study of improvements to the regulatory environment (Section 2(b)(ii) and Section 2(b)(iii)).																		
76		The outcome indicator "Number of MFIs supervised by the Cellule de Microfinance" meets its Year 2 target of 35*																		
77		The outcome indicator "Number of MFIs supervised by the Cellule de Microfinance" meets its Year 3 target of 40*																		
78		The outcome indicator "Number of MFIs supervised by the Cellule de Microfinance" meets its Year 4 target of 50*																		
79	Conduct audits of microfinance institutions (Section 2(b)(i)(3))	The Implementing Entity(ies) or other provider(s) as deemed appropriate for the audits activity are selected and engaged, and the contract has been approved by MCC if required under the Procurement Agreement.	•	•	•	•														
80		MCC has approved a sustainability plan for the implementation of regular audits of microfinance institutions, as well as of a plan for selection of these institutions. In addition, the Government has reviewed and agreed to this plan.	•	•	•	•														
81 Multi-stakeholder Forums - Section 2(b)(ii)																				
82	Multi-stakeholder Forums (Section 2(b)(iii))	The Implementing Entity(ies) or other provider(s) as deemed appropriate are selected and engaged, and the contract has been approved by MCC if required under the Procurement Agreement.	•	•	•	•														
83		A report of each forum and resulting action plan shall be submitted to MCC for approval within 45 working days of the completion of the relevant forum, and shall be posted on the MCA-Benin Website directly following approval.	•	•	•	•														
84 Credit Bureau Capacity Building - Section 2(b)(iv)																				
85	Credit Bureau Capacity Building (Section 2(b)(iv))	A study (or studies) have been completed to assess demand, feasibility and cost-effectiveness of recommended improvements to the Credit Bureau, and an implementation plan and detailed budget for improvements, based on the results of the feasibility and demand study (or studies), have been approved by MCC.	•	•	•	•														
86		The Implementing Entity(ies) or other provider(s) as deemed appropriate for the credit bureau capacity building activity are selected and engaged, and the contract has been approved by MCC if required under the Procurement Agreement. In addition, Consortium Alafia has signed an agreement with MCA-Benin and has agreed to the proposed implementation plan.	•	•	•	•														
87 Land Titles as Collateral for Loans - Section 2(b)(v)																				

\* = Relevant condition applies prior to the event specified or in the sequence as noted. \* Condition will be deemed to have been satisfied if results are within 10% of stated numeric target, evidenced in quarterly M&E performance report. References to "Year" or "Compact Year" shall mean the 12-month period commencing at Entry into Force and each year thereafter. "Quarter TBD" means that the condition will apply in a particular quarter to be determined for the year indicated. References to "MCA-Benin" shall mean MCA-Benin or mutually acceptable Permitted Designee during Initial Operating Period.

Program/Project/ Project Activity/Project Sub-activity (references to schedules in Annex I of the Compact)	Condition Precedent	Notes (including sequencing of condition precedent)	Implementation/Disbursement Period										
			Year 1				Year 2	Year 3	Year 4	Year 5			
			Q1	Q2	Q3	Q4							
88	Land Titles as Collateral for Loans (Section 2(b)(v))	Implementers of the Financial Services Project, including the MCA-Benin Financial Services Project division, have participated in, or been invited to participate in, the development of the Land Policy White Paper through representation on the Land Project Steering Committee and in the relevant working group(s) as specified in the work plan.	•	•	•	•							
89	MCA-Benin has submitted to MCC a report demonstrating progress, to MCC's satisfaction, that laws, regulations and administrative processes are reformed as needed to remove constraints to the use of land as collateral.	Progressive reforms are expected beginning in Year 2, and the report must be submitted prior to Quarter 4 of each Year.											
90	Consultant(s) or firm(s) for providing technical assistance and other capacity building for the use of land titles as collateral has been selected and engaged, and the contract has been approved by MCC if required under the Procurement Agreement.	Prior to any MCC Disbursements or Re-Disbursements for this sub-activity; prior to Year 3 (Quarter TBD)	•	•	•	•	•						
<b>91 Access to Justice Project - Schedule 3 to Annex 1</b>													
92	All Justice Project Activities as described in Schedule 3	Justice Project Director is selected and engaged, or in the event the position is vacated, MCA-Benin is actively recruiting.	•										
93	Each component document of the Implementation Plan (including the Detailed Financial Plan, Procurement Plan, Work Plans and M&E Plans) is current and updated for the applicable Project Activity in the current Compact Year.	Prior to initial MCC Disbursement, and prior to Quarter 2 of each of Years 2-5 of the Compact	•										
94	The Implementing Entity(ies) or other provider(s) as deemed appropriate are selected by MCA-Benin and approved by MCC, engaged and remain in place during implementation of Project.	Prior to any MCC Disbursement or Re-Disbursement	•										
95	Environment and Social Assessment Director is selected and engaged, or in the event the position is vacated, MCA-Benin is actively recruiting.	Prior to any MCC Disbursement or Re-Disbursement; provided, initially, that an acting or interim director of MCA-Benin, acceptable to MCC, may be appointed and engaged for a period of time agreed to in writing with MCC if a permanent director is selected but not yet engaged	•										
<b>96 Arbitration Center Activity - Schedule 3 Section 2(a)</b>													
97	Training for arbitrators and CAMEC staff (Section 2(a)(i))	Center director is selected and engaged, or if position is vacated, the Center is actively recruiting.	•										
98	Development of institutional management and operational procedures (Section 2(a)(ii))	Development of a business plan for Center, including a pricing of services designed to ensure sustainability of Center.	•	•	•								
99	Arbitration Center Activity (Section 2(a))	The M&E Outcome Indicator "Number of cases processed at Arbitration, Mediation and Conciliation Center" achieves its Year 2 target of 25*											
100		The M&E Outcome Indicator "Number of cases processed at Arbitration, Mediation and Conciliation Center" achieves its Year 3 target of 150*											
101		The M&E Outcome Indicator "Number of cases processed at Arbitration, Mediation and Conciliation Center" achieves its Year 4 target of 200*											
<b>102 Business Registration Activity - Schedule 3 Section 2(b)</b>													
103	Evaluation of existing offices' performance to identify necessary improvements and assist with design of new offices and services (Section 2(b)(i))	Development of plan for expansion of Business Registration Center activities and offices acceptable to MCC, including a strategy for reducing number of days to start a business to 3 days, as described in Annex III of Compact.	•	•	•	•							
104	Business Registration Center Activity (Section 2(b))	The M&E Outcome Indicator "Number of enterprises newly registered through business registration center" achieves its Year 3 target of 1400*											
105		The M&E Outcome Indicator "Number of enterprises newly registered through business registration center" achieves its Year 4 target of 1000*											
<b>106 Courts Activity - Schedule 3 Section 2(c)</b>													
107	Courts Activity (Section 2(c))	The M&E Outcome Indicator "Percent of all cases resolved in TPI courts per year" achieves its Year 3 target of 45*											
<b>108 Training of Judges and Court Personnel sub-activity - Schedule 3 Section 2 (c)(i)</b>													
109	Training activities for judges and court staff (Sections 2(c)(i)(2) through 2(c)(i)(5))	Design of a comprehensive capacity building plan for judges and court staff which includes strategies for coordination among training actors and strengthening training capacity of local institutions.	•	•	•								
<b>110 Inspection General ("IG") Service sub-activity - Schedule 3 Section 2 (c)(ii)</b>													
111	Inspection General service (Section 2(c)(ii))	Design of plan for expansion of IG services and staff with appropriate balance between training and equipment.	•	•	•	•							
112		The M&E Activity Indicator "Number of court inspections per year" achieves its Year 3 target of 24*											
113		The M&E Activity Indicator "Number of court inspections per year" achieves its Year 4 target of 32*											
<b>114 Legal Information Center ("LIC") sub-activity - Schedule 3 Section 2(c)(iii)</b>													
115	Construction and Equipment of new LIC (Section 2(c)(iii)(1))	Drafting of initial plan for LIC outputs, including: a strategy for coordination with the Ministry of Justice, Chamber of Commerce and Industry and donors; plan for public awareness campaign.	•	•	•	•							
116		Design for LIC is approved by MCC to ensure compatibility with LIC goals as described in Compact.	•	•	•	•							
117		Environmental and Social Assessment Framework, including site selection criteria stated in Schedule 3 to Annex I of the Compact, results of site screening and determination of need for Resettlement Action Plan, and results of public consultation and disclosure.	•	•	•								
118		RAP (if needed) is prepared, including consultations and disclosure.	•	•	•	•							

\* = Relevant condition applies prior to the event specified or in the sequence as noted. \* Condition will be deemed to have been satisfied if results are within 10% of stated numeric target, evidenced in quarterly M&E performance report. References to "Year" or "Compact Year" shall mean the 12-month period commencing at Entry into Force and each year thereafter. "Quarter TBD" means that the condition will apply in a particular quarter to be determined for the year indicated. References to "MCA-Benin" shall mean MCA-Benin or mutually acceptable Permitted Designee during Initial Operating Period.

Program/Project/ Project Activity/Project Sub-activity (references to schedules in Annex I of the Compact)	Condition Precedent	Notes (including sequencing of condition precedent)	Implementation/Disbursement Period										
			Year 1				Year 2	Year 3	Year 4	Year 5			
			Q1	Q2	Q3	Q4							
119	Full resettlement (if needed) accomplished consistent with World Bank Policy on Involuntary Resettlement; ongoing monitoring of any resettlement. EMP for LIC is prepared. All permits necessary, including any required environmental permits are obtained, and consultation and disclosure requirements met. Ongoing compliance with EMP.	Prior to MCC Disbursement or Re-Disbursement for construction if LIC requires resettlement	•	•	•	•							
120		Prior to MCC Disbursement or Re-Disbursement for construction of LIC	•	•	•	•							
121		Prior to MCC Disbursement or Re-Disbursement for construction of LIC	•	•	•	•							
122		Prior to the first full quarter after construction initiated and quarterly thereafter; prior to initiating any further construction											
<b>123 Legal aid sub-activity - Schedule 3 Section 2(c)(iv)</b>													
124	Initial planning for this sub-activity, including effective means for administering and delivering legal services. Government receives matching funds from non-MCC sources for this sub-activity.	Prior to MCC Disbursement for funding of legal aid to recipients	•	•									
125		Prior to MCC Disbursement or Re-Disbursement of MCC Funding in excess of US \$1 million for this sub-activity, provided, additional MCC Funding not to exceed US \$1.5 million	•	•	•	•	•	•	•	•	•	•	
126	Funding to support NGOs implementing legal aid services (Section 2(c)(iv)(2)) MCA-Benin shall conduct a competitive selection process to determine the best value providers of legal aid services eligible for funding, including an evaluation of NGO proposals. MCC approves final selection of legal aid service managers and awards.	Prior to MCC Disbursement or Re-Disbursement for funding of legal aid	•	•	•								
127		Prior to MCC Disbursement or Re-Disbursement to NGOs to be funded under this sub-activity	•	•	•	•	•	•	•	•	•	•	
<b>128 New courthouses sub-activity - Schedule 3 Section 2 (c)(v)</b>													
129	Select sites for courthouses; Construction of courthouses (Sections 2(c)(v)(2) and (4)) Approval of court design and information technology plan by MCC to ensure conformity with EU courts project. Review of current case management processes completed and new rules and procedures to reduce delays approved by MCC. Development and implementation of enhanced case management techniques by courts and implementation of the case management system developed based on recommendations formed pursuant to Section 2(c)(vi) Commitment of budgetary resources by the Government sufficient to support new judges and staff and to maintain new courts. Development of measures to facilitate removal of old cases from the TPI to CAMeC. Undertake, as necessary, steps to support the enforceability of arbitral awards. As necessary and if evaluation of Business Registration Center indicates warranted, undertake improvements in regulations, policies, or procedures related to business registration and company formation. Hire and train new judges and court staff sufficient for new courts, including IG staff.	Procedural Codes and other codes described in Section 2(c)(v)(1) of Schedule 3 to Annex I are passed and remain in effect.	Prior to any MCC Disbursement or Re-Disbursement for construction	•	•	•	•	•					
130		Prior to any MCC Disbursement or Re-Disbursement for construction	•	•	•	•	•						
131		Prior to any MCC Disbursement or Re-Disbursement for construction	•	•	•	•	•						
132		Prior to any MCC Disbursement or Re-Disbursement for construction	•	•	•	•	•						
133		Prior to any MCC Disbursement or Re-Disbursement for construction	•	•	•	•	•						
134		Prior to any MCC Disbursement or Re-Disbursement for construction	•	•	•	•	•						
135		Prior to any MCC Disbursement or Re-Disbursement for construction	•	•	•	•	•						
136		Prior to any MCC Disbursement or Re-Disbursement for construction	•	•	•	•	•						
137		Progress, satisfactory to MCC, is required prior to any MCC Disbursement or Re-Disbursement for construction of first courthouses	•	•	•	•	•						
138		Progress, satisfactory to MCC, is required prior to any MCC Disbursement or Re-Disbursement for construction of remaining courthouses											
139	Select sites for courthouses; Construction of courthouses (Sections 2(c)(v)(2) and (4))	Environmental and Social Assessment Framework; including site selection criteria, considering input from civil society and other stakeholders, including any unsolicited proposals for sites from communities or others as described in Section 2(c)(v)(2); results of site screening and determination of need for Resettlement Action Plan obtained, and results of public consultation and disclosure obtained.	Prior to site selection and EMPs for courthouses and commencement of any courthouse construction	•	•	•	•	•					
<b>140 For each courthouse</b>													
141	Construction of courthouses (Section 2(c)(v)(4)) RAP (if needed) is prepared, including consultations and disclosure. Full resettlement (if needed) accomplished in accordance with World Bank Policy on Involuntary Resettlement; ongoing monitoring of any resettlement. EMP prepared (or separate environmental assessment per guidance in framework assessment) for each courthouse. All permits necessary, including any required environmental permits are obtained, and consultation and disclosure requirements met. Ongoing compliance with EMP.	Prior to resettlement of affected persons, if necessary	•	•	•	•	•						
142		Prior to any MCC Disbursement or Re-Disbursement for construction in locations requiring resettlement	•	•	•	•	•						
143		Prior to any MCC Disbursement or Re-Disbursement for construction of individual courthouses	•	•	•	•	•						
144		Prior to any MCC Disbursement or Re-Disbursement for construction of individual courthouses	•	•	•	•	•						
145	Construction of courthouses; Equipment of newly constructed courthouses (Sections 2(c)(v)(4) and (5))	Ongoing compliance with EMP.	Prior to the first full quarter after construction initiated and quarterly thereafter; prior to initiating any further construction										
<b>146 Case management sub-activity - Schedule 3 Section 2 (c)(vi)</b>													
<b>147 Access to Markets - Schedule 4 Annex 1</b>													
148	All Markets Project Activities as described in Schedule 4 Markets Project Director for MCA-Benin is selected and engaged, or in the event position is vacant, MCA-Benin is actively recruiting. Each component document of the Implementation Plan (including the Detailed Financial Plan, Procurement Plan, and Work Plan) is current and updated and approved by MCC.	Prior to any MCC Disbursement or Re-Disbursement; provided, initially, that an acting or interim director of MCA-Benin, acceptable to MCC, may be appointed and engaged for a period of time agreed to in writing with MCC if a permanent director is selected but not yet engaged	•										
149		Prior to any MCC Disbursement or Re-Disbursement	•										



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Program/Project/ Project Activity/Project Sub-activity (references to schedules in Annex I of the Compact)	Condition Precedent	Notes (including sequencing of condition precedent)	Implementation/Disbursement Period								
			Year 1				Year 2	Year 3	Year 4	Year 5	
			Q1	Q2	Q3	Q4					
170	Detailed Engineering and Economic Feasibility Studies; Conduct of ESIA's; Development of Master Plan (Sections 2(a)(ii), (iii), and (iv))	If there are any Initial Technical Studies continuing from the Compact Implementation Funding phase, MCA-Benin and the PAC provide logistical support for and any needed permits related to conduct of Initial Technical Studies (Activity 2(a)(i) and sub-activities (1) through (6)), as detailed in the Compact Schedule 4 of Annex 1. For the purposes of this condition, "logistical support" shall mean that the Government or a Permitted Designee shall:  (a) Provide logistical assistance to the MCC Service Providers, as defined in the CIF Letter Agreement, during the course of the Initial Technical Studies.  (b) Provide resources as necessary to the MCC Service Providers (as defined in the CIF Letter Agreement) to facilitate the conduct of activities, including physical access to port facilities, any needed permissions to perform sampling of sediments and other tests in the port basin and territorial waters, provision of documents requested, coordination with other government agencies and access to officials for meetings, and other tasks as requested to enable the satisfactory and timely completion of the activities.  (c) Subject to Schedule 1 to the CIF Letter Agreement, participate in the Selection Board, to the extent required.	Prior to MCC Disbursement or Re-Disbursement for Activities 2(a)(ii), 2(a)(iii), and 2(a)(iv)								
171	Detailed Engineering and Economic Feasibility Studies; Conduct of ESIA's (Sections 2(a)(ii) and (iii))	Satisfactory completion of the Initial Technical Studies and based on the recommendations made by those studies, Government's selection of its preferred option, subject to MCC approval, for: • reducing sedimentation of the Port access channel sedimentation and not adversely impacting coastal erosion; • disposal of dredged material; and • other key waterside component options These approved options are to be incorporated into the feasibility and environmental studies associated with waterside improvements.  <i>Evidence: Written confirmation from the Government indicating which options were selected</i>	Prior to MCC Disbursement or Re-Disbursement for either detailed engineering and economic feasibility studies (as defined in 2(a)(ii)) and ESIA's								
172	Development of revised master plan for port (Section 2(a)(iv))	Completion of Initial Technical Studies and detailed engineering and economic feasibility studies.	Prior to MCC Disbursement or Re-Disbursement to fund port master plan study								
<b>173 Port Institutional Activity - Schedule 4 Section 2(b)</b>											
174	Customs and Other IT Systems Improvements (Section 2(b)(i))	Completion of relevant studies as applied to customs systems improvements.	Prior to MCC Disbursement or Re-Disbursement to fund equipment and services defined in Work Plan for customs systems								
175	Port Institutional Activity (Section 2(b))	M&E Outcome Indicator "Average customs clearance times for containers at the Port (days)" achieves its Year 3 target of 3*	Prior to Year 4 (Quarter TBD)								
176		M&E Outcome Indicator "Average customs clearance times for containers at the Port (days)" achieves its Year 4 target of 2*	Prior to Year 5 (Quarter TBD)								
<b>177 Port Security and Landside Improvements Activity - Schedule 4 Section 2(c)</b>											
178	Port Security and Landside Improvements Activity (Section 2(c))	Results of the assessments and studies described in Sections 2(a)(i), 2(a)(ii), 2(a)(iii)(1), and 2(a)(iv) (Initial Technical Studies; detailed engineering and economic feasibility studies, including studies on port scanning system and dry port facility at Tori; ESIA's for landside improvements and all associated plans and activities; development of revised master plan), are satisfactory to MCC.	Prior to MCC Disbursements or Re-Disbursements for this Project Activity								
<b>179 Port security sub-activity - Schedule 4 Section 2 (c)(i)</b>											
180	Port security sub-activity (Section 2(c)(i))	The Port meets ISPS standards except for those specifically included as capital investments funded by the Compact	Prior to Year 3 (Quarter TBD)								
181		The Port meets ISPS standards including those specifically included as capital investments funded by the Compact	Prior to Year 4 (Quarter TBD)								
182		The M&E Activity Indicator "Port crime levels (number of thefts)" achieves its Year 2 target of 40*	Prior to Year 3 (Quarter TBD)								
183		The M&E Activity Indicator "Port crime levels (number of thefts)" achieves its Year 3 target of 30*	Prior to Year 4 (Quarter TBD)								
184		The M&E Activity Indicator "Port crime levels (number of thefts)" achieves its Year 4 target of 20*	Prior to Year 5 (Quarter TBD)								
185		All environmental and other permits (including any necessary or advisable environmental certificates under Benin law) shall be issued, valid and in full effect in accordance with requirements and schedule determined and approved by MCC and MCA-Benin.	Prior to any MCC Disbursement for this Project Activity								
<b>186 Landside Improvements sub-activity - Schedule 4 Section 2 (c)(ii)</b>											
187	Landside Improvements (Section 2(c)(ii))	Completion of the study referenced in Section 7(o) of Schedule 4 (also known as "Elaboration d'un Programme de Développement et d'Augmentation de la Productivité du Port de Cotonou") by the time that the detailed economic and engineering studies are complete, with commitments by the PAC and other Government Affiliates to implement recommendations as requested by MCC and implementation of such recommendations satisfactory to MCC.	Prior to any MCC Disbursements or Re-Disbursements for this Project Activity								
188		Pursuant to Section 7(g), PAC development and implementation of financial controls and other recommendations of PAC Independent Auditor.  <i>Evidence: Semi-annual report from MCA-Benin port advisor regarding changes to PAC financial operations to meet auditor recommendations.</i>	Prior to any MCC Disbursements or Re-Disbursements for this Project Activity								
189		A plan for renegotiation of PAC concessions and reallocation of berths and land usage satisfactory to MCC is adopted, any RAP is implemented, the Landside EMP is adopted, and the HIV/AIDS awareness plan is implemented.	Prior to any MCC Disbursements or Re-Disbursements for this Project Activity								
190		Renegotiation of existing lease and concession agreements and port leases on terms providing for capital investment based upon the market demand for Port services; MCC accepts terms.	Prior to any MCC Disbursements or Re-Disbursements for this Project Activity								

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Program/Project/ Project Activity/Project Sub-activity (references to schedules in Annex I of the Compact)	Condition Precedent	Notes (including sequencing of condition precedent)	Implementation/Disbursement Period									
			Year 1				Year 2	Year 3	Year 4	Year 5		
			Q1	Q2	Q3	Q4						
191	All environmental and other permits (including any necessary or advisable environmental certificates under Benin law) shall be issued, valid and in full effect in accordance with requirements and schedule determined and approved by MCC and MCA-Benin.	Prior to any MCC Disbursements or Re-Disbursements for this Project Activity	•	•	•	•						
192	Landside Improvements (Sections 2(c)(ii)(2)-(8)) Front-end engineering and design for major civil and mechanical facilities and works.	Prior to MCC Disbursement to fund sub-activities for any of the landside improvements described in Sections 2(c)(ii)(2), (3), (4), (5), (6), (7), and (8)	•	•	•	•	•					
193	Landside Improvements (Section 2(c)(ii)) Implementation of construction management agent agreement satisfactory to MCC to provide technical assistance during landside construction work.	Prior to any MCC Disbursement or Re-Disbursement to fund landside improvements identified in the feasibility studies completed under the Studies Activity	•	•	•	•	•					
194	Dry bulk conveyor system leading to storage/truck loading bins (Section 2(c)(ii)(3))  <i>Evidence: Agreements documenting private management or concession agreement with recommendation by Port Advisor</i>	Prior to any MCC Disbursements or Re-Disbursements for this sub-activity	•	•	•	•	•					
195	Construction of BOC (Section 2(c)(ii)(7)) Completion of detailed engineering and economic feasibility studies and ESIA for BOC and off-loading construction.	Prior to MCC Disbursement or Re-Disbursement for the construction of BOC and for off-loading equipment; prior to Quarter 3, Year 2	•	•	•	•	•					
196	Landside Improvements (Section 2(c)(ii)) Full resettlement (if needed) accomplished consistent with World Bank Policy on Involuntary Resettlement; ongoing monitoring of any resettlement.	Prior to initiation of construction under the landside improvements activity, if resettlement needed.	•	•	•	•	•					
197	MCA-Benin includes clauses to implement Landside EMP in construction-related bid solicitations and specifications, subject to MCC approval.	Prior to contract award	•	•	•	•	•					
198	Ongoing compliance with EMP/EMS including commitments by Port users of landside facilities to abide by EMP/EMS.	Commitment to comply with EMP/EMS prior to MCC Disbursement for landside improvements. Evidence of compliance prior to the first full quarter after construction initiated and quarterly thereafter; prior to initiating any subsequent construction.	•	•	•	•	•					
199	The M&E Outcome Indicator "Average duration of stay of trucks at Port (hours)" achieves its Year 3 target of <b>18 hours*</b>	Prior to Year 4 (Quarter TBD)										
200	The M&E Outcome Indicator "Average duration of stay of trucks at Port (hours)" achieves its Year 4 target of <b>12 hours*</b>	Prior to Year 5 (Quarter TBD)										
201	<b>Fish/seafood inspection &amp; handling facility services sub-activity - Schedule 4 Section 2 (c)(iii)</b>											
202	Development and adoption of BOC management plan (Section 2(c)(iii)(1)) Completion of Demand Study assessing (i) the willingness and ability to pay user fees for improved inspection and off-loading port services, and (ii) training and technical assistance needs for sanitary and environmental management of fish/seafood by critical user groups throughout value chain.	Prior to any MCC Disbursement or Re-Disbursement to develop BOC Management Plan and implement Training to user groups in value chain; prior to Year 2 (Quarter TBD)	•	•	•	•						
203	Adoption of improved design and procedures for BOC; Development and implementation of user fee system (Section 2(c)(iii)(2) and (3)) Development of a BOC Management Plan that recommends (i) operational and logistical procedures including inspection requirements of key export markets, equipment and supply needs, and facility layout to accommodate implementation of efficient operations, (ii) training and technical assistance requirements of BOC staff to implement improved operations, and (iii) operations and maintenance financial plan, including the user fee recommendations from the Demand Study and privatization plan.	Following completion of Detailed Engineering and Economic Feasibility Studies and ESIA's for BOC-related construction; prior to Quarter 1, Year 2										
204	Fish/seafood inspection and handling facility services (Section 2(c)(iii))  <i>Evidence: Agreements documenting private management or concession agreement with recommendation by Port Advisor</i>	Prior any to MCC Disbursement or Re-Disbursement for construction of BOC	•	•	•	•	•					
205	Ongoing compliance with BOC Management Plan.	Prior to any MCC Disbursement or Re-Disbursement following construction of BOC	•	•	•	•	•					
206	MCA-Benin includes clauses to implement Landside EMP in construction-related bid solicitations and specifications, subject to MCC approval.	Prior to contract award	•	•	•	•	•					
207	Full resettlement (if needed) is accomplished consistent with World Bank Policy on Involuntary Resettlement; ongoing monitoring of any resettlement.	Prior to any MCC Disbursement or Re-Disbursement for construction of BOC and each quarter thereafter	•	•	•	•	•					
208	Ongoing compliance with EMP/EMS including commitments by BOC operators to abide by EMP/EMS.	Commitment to comply with EMP/EMS prior to MCC Disbursement for BOC services.  Prior to the first full quarter after construction initiated and quarterly thereafter; and prior to initiating any subsequent construction.	•	•	•	•	•					
209	The M&E Outcome Indicator "Volume of seafood exports processed through BOC (tons)" reaches its Year 3 target of <b>50*</b>	Prior to Year 4 (Quarter TBD)										
210	The M&E Outcome Indicator "Volume of seafood exports processed through BOC (tons)" reaches its Year 4 target of <b>250*</b>	Prior to Year 5 (Quarter TBD)										
211	<b>Waterside Improvements Activity - Schedule 4 Section 2(d)</b>											
212	Waterside Improvements Activity (Section 2(d)) Results of the assessments and studies described in Section 2(a)(i), 2(a)(ii), 2(a)(iii)(2), and 2(a)(iv) are satisfactory to MCC, a plan for renegotiation of PAC concessions and reallocation of berths and land usage satisfactory to MCC is adopted, any RAP is implemented, an integrated landside/waterside EMP is adopted and the HIV/AIDS awareness plan is implemented.	Prior to MCC Disbursements or Re-Disbursements for this Project Activity	•	•	•	•	•					
213	MCA-Benin includes clauses to implement the Waterside EMP in construction-related bid solicitations and specifications, subject to MCC approval. Such language must cover capital and maintenance dredging activities and disposal of dredged materials.	Prior to contract award	•	•	•	•	•					

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Program/Project/ Project Activity/Project Sub activity (references to schedules in Annex I of the Compact)	Condition Precedent	Notes (including sequencing of condition precedent)	Implementation/Disbursement Period												
			Year 1				Year 2	Year 3	Year 4	Year 5					
			Q1	Q2	Q3	Q4									
214	All applicable environmental and other permits for this activity (including any necessary or advisable environmental certificates under Benin law) shall be issued, valid and in full effect in accordance with requirements and schedule determined and approved by MCC and MCA-Benin.	Prior to any MCC Disbursement for this Project Activity	•	•	•	•									
215	New South wharf construction; Sedimentation Control Scheme; Acquisition of tug boat (Section 2(d)(ii))	Front-end engineering and design for major civil and mechanical facilities, works and dredging and dredged material disposal.	Prior to any MCC Disbursement or Re-Disbursement for construction, sedimentation reduction, or tug boat	•	•	•	•	•							
216	New South wharf construction (Section 2(d)(ii))	Improvements to customs and warehouse systems operations.	Prior to any MCC Disbursement or Re-Disbursement for construction of the New South Wharf	•	•	•	•	•							
217		To the extent not covered in the renegotiation of the existing concession agreements, completion of new concession agreements for terminal operations of the new South wharf berths shall include private capital investments based upon the demand for Port services.	Prior to any MCC Disbursement or Re-Disbursement for construction of the New South Wharf	•	•	•	•	•							
218		HIV/AIDS awareness program (as developed in the ESIA) implemented by PAC. <i>Evidence: Demonstration that HIV/AIDS program implemented by PAC and appropriate components incorporated into the bid specifications for construction contractors</i>	Prior to any MCC Disbursement or Re-Disbursement for construction, and quarterly thereafter	•	•	•	•	•							
219	Waterside Improvements Activity (Section 2(d))	Ongoing compliance with EMP/EMS, including commitments by port users of waterside facilities to abide by EMP/EMS.	Commitment to comply with EMP/EMS prior to MCC Disbursement or Re-Disbursement for waterside improvements. Evidence of continued compliance is due after the completion of ESIA, but before construction, and each quarter thereafter.	•	•	•	•	•							
220		The M&E Outcome Indicator "Average duration of stay of trucks at Port (hours)" achieves its Year 3 target of <b>18 hours*</b>	Prior to Year 4 (Quarter TBD)												
221		The M&E Outcome Indicator "Average duration of stay of trucks at Port (hours)" achieves its Year 4 target of <b>12 hours*</b>	Prior to Year 5 (Quarter TBD)												
222		The M&E Outcome Indicator "Port surcharges due to delay (Euros)" meets its Year 2 target of <b>100*</b>	Prior to Quarter 2, Year 3												
223		The M&E Outcome Indicator "Port surcharges due to delay (Euros)" meets its Year 3 target of <b>75*</b>	Prior to Quarter 2, Year 4												
224		The M&E Outcome Indicator "Port surcharges due to delay (Euros)" meets its Year 4 target of <b>50*</b>	Prior to Quarter 2, Year 5												
225	<b>Monitoring and Evaluation - Annex 3, Section 2</b>														
226	Annex III, section 2: EMICoV baseline survey	The Government makes funding available to maintain the EMICoV baseline survey timeline.	Prior to MCC Disbursements or Re-Disbursements for the EMICoV baseline survey.	•											
227	Annex III, section 2: EMICoV follow-up surveys	The EMICoV baseline survey on national household income, investment in rural and urban land, perceptions of land tenure security, and communal land disputes is completed and indicator results with microdata are made available, as specified in Annex III.	Prior to MCC Disbursements or Re-Disbursements for the EMICoV follow-up surveys												
228	Annex III, section 2: EMICoV follow-up surveys	Follow-up EMICoV surveys are completed in 2008, 2009 and 2010 and indicator results with microdata are made available, as specified in Annex III.	Prior to MCC Disbursements or Re-Disbursements for the EMICoV follow-up surveys.												
229	<b>Disbursement Agreement Schedule 1</b>														

Benin Disbursement Agreement - Execution Copy

## SCHEDULE 2 DEFINITIONS

*Additional Representative* shall have the meaning set forth in Section 4.18.

*Agreement* shall have the meaning set forth in the Preamble.

*Allocation Agreement* shall have the meaning set forth in Section 3.1(i).

*Annual Supplement* shall have the meaning set forth in Section 3.9.

*Attachments* shall have the meaning set forth in Section 4.7.

*BCEAO* shall have the meaning set forth in Section 3.1(c).

*Benin* shall have the meaning set forth in the Recitals.

*CIF* shall mean Compact Implementation Funding.

*CIF Letter Agreement* shall mean that letter agreement entered into as of June 9, 2006 by and between MCC and the Government.

*CIF Procurement Guidelines* shall have the meaning set forth in the CIF Letter Agreement.

*CIF Procurement Implementation Plan* shall have the meaning set forth in the CIF Letter Agreement.

*CIF Re-Disbursement* shall have the meaning set forth in the CIF Letter Agreement.

*Compact* shall have the meaning set forth in the Preamble.

*Compact Documents* shall have the meaning set forth in Section 1.1(a)(ii).

*Disbursement Period* shall have the meaning set forth in Section 1.1(a)(i).

*Effective Date* shall have the meaning set forth in Section 4.27(a).

*Financial Report* shall have the meaning set forth in Section 3.2(a)(iii).

*General Procurement Notice* shall have the meaning set forth in the Procurement Agreement.

*Government* shall have the meaning set forth in the Preamble.

*Government Funds* shall have the meaning set forth in Section 3.1(i).

*Initial Operating Period* shall have the meaning set forth in Section 3.3.

*Interim Fiscal Accountability Plan* shall have the meaning set forth in the Fiscal Agent Agreement.

**Material Adverse Change** shall have the meaning set forth in Section 2.1(f).

**MCA-Benin** shall have the meaning set forth in the Preamble.

**MCA-Benin Certificate** shall have the meaning set forth in Section 3.2(b).

**MCA-Benin Principal Representative** shall have the meaning set forth in Section 4.18.

**MCA Effective Date** shall have the meaning set forth in Section 4.2(b).

**MCC** shall have the meaning set forth in the Preamble.

**MCC Principal Representative** shall have the meaning set forth in Section 4.18.

**Ministry** shall have the meaning set forth in the Preamble.

**Ministry Certificate** shall have the meaning set forth in Section 3.2(c).

**Ministry Principal Representative** shall have the meaning set forth in Section 4.18.

**National Coordination Unit** shall have the meaning set forth in the Recitals.

**Party** and **Parties** shall have the meaning set forth in the Preamble.

**Permits** shall have the meaning set forth in Section 2.2(a).

**Permitted Account Information** shall have the meaning set forth in Section 1.1(a)(iii).

**Principal Representatives** shall have the meaning set forth in Section 4.18.

**Quarter** shall mean each three-month period beginning on the first day of such period and ending on the last day of such period. Each Quarter shall be accompanied by a numerical designation such that there shall be twenty Quarters during the Compact Term, beginning with Quarter 1 and ending with Quarter 20. Quarter 1 shall commence on the date of Entry into Force of the Compact and end on December 31, 2006. Quarter 20 shall commence on July 1, 2011 and end on the fifth anniversary of the date of the Entry-into-Force of the Compact.

**Quarterly Progress Report** shall have meaning set forth in Section 3.2(a)(v).

**Section 1.1(c) Certificate** shall have the meaning set forth in Section 1.1(c).

**VAT** shall have the meaning set forth in Section 3.1(a).

**Working Capital** shall have the meaning set forth in Section 1.3.

**Year** shall mean the twelve-month period beginning on the date of Entry into Force of the Compact, and each of the four additional twelve-month periods thereafter.