

MCC-Côte d'Ivoire Regional Energy Compact



Reliable, affordable electricity is the backbone of modern economies, powering factories, schools, and hospitals. Without access to stable power at a reasonable cost, too many businesses and households in Côte d'Ivoire fall short of reaching their potential for growth and innovation. The United States' Millennium Challenge Corporation (MCC) and the Government of Côte d'Ivoire have signed a regional energy compact, in partnership with the Economic Community of West African States¹, to provide sustainable and affordable electricity to people and businesses in Côte d'Ivoire and the broader region.

Côte d'Ivoire is the third largest energy system in West Africa and a key regional energy exporter. Modernizing Côte d'Ivoire's electricity grid will create more business opportunities for U.S. firms—especially in energy, manufacturing, tech, and logistics—that depend on stable power to operate and invest in new markets.

COMPACT OVERVIEW AND BUDGET

The MCC Board of Directors selected Côte d'Ivoire for compact assistance in December 2018. The total budget for the compact is approximately \$322.5 million, with MCC providing up to \$300 million and the Government of Côte d'Ivoire contributing at least \$22.5 million.

This compact includes three main activities: improving the regional electricity market, modernizing Côte d'Ivoire's electricity grid, and supporting Côte d'Ivoire's role in the regional market.

¹ The Economic Community of West African States is a consortium of 15 African countries that sets trade rules, mediates conflict, maintains a community court of justice, and establishes the free movement of people, goods, and services in the region.

IMPROVING THE REGIONAL ELECTRICITY MARKET

The compact will work with the West African Power Pool, the entity responsible for energy exchange in the region, to launch the regional electricity marketplace by creating a day-ahead market. A day-ahead market lets countries set their import and export prices one day in advance, helping them to better plan and budget for their energy needs and profit from any extra electricity that they produce. By planning ahead, utilities can supply electricity to customers at a lower cost.

The compact will also focus on making the electricity market run more efficiently and fairly, ensuring it is financially stable, and improving the ability of regional actors to manage market operations.

MODERNIZING CÔTE D'IVOIRE'S ELECTRICITY GRID

The compact will make Côte d'Ivoire's electricity grid more stable and reliable by upgrading critical tools, equipment, and infrastructure, including battery storage. Increasing the amount of energy available to be stored and traded across borders will drive regional economic growth and reduce the risk of energy shortages that could lead to political instability and conflict—contributing to a stronger, safer, and more competitive West Africa.

To further boost the region's energy security, the compact will catalyze private-sector funding for a pipeline of projects aimed at increasing the energy available for trading. By unlocking more diverse energy sources, these projects will reduce Côte d'Ivoire's reliance on potentially hostile foreign sources.

SUPPORTING CÔTE D'IVOIRE'S ROLE IN THE REGIONAL ELECTRICITY MARKET

The compact will strengthen Côte d'Ivoire's leadership in the regional electricity market. This includes aligning the Ivorian electricity sector's regulations with regional standards, improving financial health, and boosting overall performance. By helping the regional electricity market to function well, the compact will promote stability and cooperation in West Africa and encourage U.S. investment in the region.

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The Millennium Challenge Corporation is an independent U.S. government agency focused on advancing America's economic and strategic interests through results-driven foreign assistance. MCC's investments support large-scale infrastructure, strategic reforms, and economic modernization that deliver measurable returns. Countries and U.S. taxpayers mutually benefit from expanded commercial opportunities for U.S. businesses, reduced influence of competitors, and reinforced global environments aligned with the United States.