

1473

EXECUTION VERSION

FISCAL AGENT AGREEMENT

by and between

**MISSION DE FORMULATION ET DE GESTION DU MILLENNIUM CHALLENGE
ACCOUNT – SENEGAL,
acting on behalf of the Government of the Republic of Senegal**

(to be replaced by MCA-Senegal)

and

GFA CONSULTING GROUP GmbH

and

CHARLES KENDALL & PARTNERS, LTD.

(jointly and severally, as the Fiscal Agent)

Dated as of September 28, 2009

TABLE OF CONTENTS

	<u>Page</u>
Article 1. Appointment; Services; Obligations	2
Section 1.1 Initial Operating Period.....	2
Section 1.2 Appointment of the Fiscal Agent.....	2
Section 1.3 Description of Services	2
Section 1.4 Reports and Information	2
Section 1.5 Books and Records	3
Section 1.6 Access	3
Section 1.7 Fiscal Agent Staff and Subcontractors.....	3
Section 1.8 Compliance with Compact Documents	5
Section 1.9 Bank Agreement; Bank Matters.....	5
Section 1.10 Taxes	6
Section 1.11 Insurance	7
Section 1.12 Audits; Certifications; Audit Plan, Right of Use; Conflicts of Interest	7
Section 1.13 Requests for Disbursements.....	8
Article 2. Fiscal Agent Generally	9
Section 2.1 Standard of Care	9
Section 2.2 Fees	9
Section 2.3 Other Duties, Rights and Protections of the Fiscal Agent	10
Section 2.4 Liabilities; Indemnification.....	10
Section 2.5 Merger; Consolidation	11
Section 2.6 Monitoring	12
Section 2.7 Joint and Several Liability: Sole Point of Contact.....	13
Article 3. Term; Suspension; Termination.....	13
Section 3.1 Term	13
Section 3.2 Suspension	14
Section 3.3 Termination of this Agreement.....	14
Section 3.4 Consequence of Termination	15
Section 3.5 Force Majeure	16
Section 3.6 Survival	17
Article 4. Miscellaneous.....	17
Section 4.1 Representations and Warranties of the Fiscal Agent	17
Section 4.2 Confidentiality	18
Section 4.3 Prohibition of Set-Off	19
Section 4.4 Communications	19

Section 4.5	Assignment	21
Section 4.6	Representatives	22
Section 4.7	Governing Law	22
Section 4.8	Dispute Resolution.....	22
Section 4.9	Ownership of Documents	23
Section 4.10	Relationship of the Parties	23
Section 4.11	Amendment; Waiver.....	23
Section 4.12	Nonwaiver of Remedies.....	23
Section 4.13	Attachments	23
Section 4.14	Headings	23
Section 4.15	MCC as Third Party Beneficiary; Reserved Rights.....	23
Section 4.16	Severability	24
Section 4.17	Entire Agreement	25
Section 4.18	Counterparts; Signatures.....	25
Section 4.19	Waiver of Immunity.....	25
Section 4.20	Definitions.....	25
Section 4.21	Rules of Construction	25
Section 4.22	Written Consents, Approvals and Notices.....	26
Section 4.23	Language.....	26

Exhibit A: Description of Fiscal Agent Services

Exhibit B: Staffing and Subcontractor Plan

Exhibit C: Fees

Exhibit D: Definitions

Exhibit E: Interim Fiscal Accountability Plan

FISCAL AGENT AGREEMENT

This FISCAL AGENT AGREEMENT (this "*Agreement*") is made as of September 28, 2009 (the "*Effective Date*"), by and between Mission de Formulation et de Gestion du Millennium Challenge Account-Senegal (referred to herein as "*MFG-MCA*"), on behalf of the Government of the Republic of Senegal (the "*Government*"), (to be replaced by MCA-Senegal, an entity to be established under the laws of Senegal ("*MCA-Senegal*")), and GFA Consulting Group GmbH (company registration no. B 30219, Commercial Register of the District Court of Hamburg), with its registered office at Eulenkrugstr, 82 – D-22359 Hamburg, Germany, a private limited company organized and operating under the laws of the Federal Republic of Germany ("*GFA Consulting*") and Charles Kendall & Partners, Ltd. (Company Registration No. 005232310), with its registered office at 7 Albert Court, Prince Consort Road, London, SW7 2BJ, England, United Kingdom, a private limited company organized and operating under the laws of England ("*Charles Kendall*", and jointly and severally with GFA Consulting, collectively the "*Fiscal Agent*"). MFG-MCA (but only until MCA-Senegal joins this Agreement), MCA-Senegal (upon joining this Agreement) and the Fiscal Agent are referred to herein collectively, as ("*Parties*") and each individually a ("*Party*").

RECITALS

WHEREAS, the United States of America, acting through the Millennium Challenge Corporation ("*MCC*"), and the Government executed a Grant and Implementation Agreement on April 1, 2009 (the "*609(g) Agreement*") that sets forth the general terms and conditions on which MCC will provide funding not to exceed thirteen million three hundred ninety thousand U.S. Dollars (US\$13,390,000) under the authority of Section 609(g) of the United States Millennium Challenge Act of 2003, as amended, which activities will facilitate the development and implementation of a Millennium Challenge Compact (as described below);

WHEREAS, the United States of America, acting through MCC, and the Government executed a Millennium Challenge Compact on September 16, 2009 (the "*Compact*") that sets forth the general terms and conditions on which MCC will provide funding not to exceed five hundred forty million U.S. Dollars (US\$540,000,000) to the Government for a Millennium Challenge Account program to advance economic growth and reduce poverty in Senegal;

WHEREAS, the United States of America, acting through MCC, and the Government executed a Program Implementation Agreement on September 16, 2009 (the "*Program Implementation Agreement*") that sets forth the general framework for Program implementation during the Compact term;

WHEREAS, it is a requirement of the Compact and the Program Implementation Agreement that the Government must deliver to MCC an executed copy of a fiscal agent agreement, in form and substance satisfactory to MCC, which specifies the terms and conditions on which a fiscal agent will act as agent and provide certain services to MCA-Senegal under and in furtherance of the Compact and the 609(g) Agreement;

WHEREAS, subject to the terms and conditions set forth in this Agreement, MCA-Senegal wishes to appoint GFA Consulting and Charles Kendal, on a joint and several basis, as

the Fiscal Agent, and each of GFA Consulting and Charles Kendall wish to accept such appointment.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties, intending to be legally bound, agree:

ARTICLE 1.

APPOINTMENT; SERVICES; OBLIGATIONS

Section 1.1 Initial Operating Period. MFG-MCA shall act in the place of MCA-Senegal and shall remain a party hereto, until MCA-Senegal joins this Agreement in accordance with Section 4.5(d). Any reference in this Agreement to "*MCA-Senegal*" will be deemed a reference to (i) MFG-MCA until such time as MCA-Senegal joins this Agreement, and (ii) thereafter, MCA-Senegal. Notwithstanding any other provision of this Agreement and subject to the approval of MCC, until such time as MCA-Senegal joins this Agreement, any authorization, certification or other action required to be taken by, or rights or obligations of, "MCA-Senegal" under or in connection with this Agreement shall be deemed the rights and obligations of MFG-MCA and thereafter, the rights and obligations of MCA-Senegal.

Section 1.2 Appointment of the Fiscal Agent. Subject to the terms and conditions of this Agreement, MCA-Senegal hereby appoints GFA Consulting and Charles Kendall, on a joint and several basis, as the Fiscal Agent to act as agent as further set forth and explicitly authorized herein, and each of GFA Consulting and Charles Kendall hereby accepts such appointment and agrees to perform the Agency Services (as defined in Section 1.3) in accordance with the terms of this Agreement.

Section 1.3 Description of Services.

(a) The Fiscal Agent shall provide services to MCA-Senegal as described herein and as further described in Exhibit A and shall undertake the obligations and responsibilities of the Fiscal Agent set forth herein (collectively, the "*Agency Services*"). The Fiscal Agent shall undertake and provide all Agency Services in accordance with the terms and conditions set forth in this Agreement. In rendering the Agency Services, the Fiscal Agent staff shall mainly be located in Dakar, Senegal.

(b) Any modification or variation of the terms and conditions of this Agreement, including any modification or variation of the Agency Services, may only be made by written agreement between the Parties with the prior approval of MCC in accordance with Section 4.11. However, each Party shall give due consideration to any proposals for modifications or variation made by the other Party.

Section 1.4 Reports and Information. The Fiscal Agent shall provide all reports as required under the 609(g) Agreement, the Compact and the Program Implementation Agreement, which provisions are incorporated by reference herein, *mutatis mutandis*. Without limiting the generality of the foregoing, the Fiscal Agent shall submit to MCA-Senegal the reports required by Exhibit A, in the manner, form and substance required by Exhibit A. If not expressly approved earlier, the submission of any report required by Exhibit A shall be deemed approved

forty-five (45) days after submission thereof to MCA-Senegal (and MCC, if required by Exhibit A), unless a contrary written communication is provided to the Fiscal Agent within this period.

Section 1.5 Books and Records. The Fiscal Agent shall keep (a) accurate and systematic books, records, documents and other evidence of the Fiscal Agent's performance of the Agency Services in such form and detail as is customary in the financial management profession and acceptable to MCC and (b) all Records and Compact Records pertaining to the Agency Services in accordance with the requirements of Article 6 of the 609(g) Agreement and Section 3.7 of the Compact, which sections are incorporated by reference herein, *mutatis mutandis*. The Fiscal Agent may keep such files in paper, digital or electronic form; **provided, however,** that the Fiscal Agent shall maintain a backup system or other mechanism for storing and safeguarding copies of such files in accordance with the standard of care set forth in Section 2.1.

Section 1.6 Access. The Fiscal Agent shall make available, or shall cause to be made available, to MCA-Senegal, each other Permitted Designee, MCC, the Inspector General, the United States Government Accountability Office, any auditor responsible for an audit contemplated under or otherwise conducted in furtherance of the 609(g) Agreement or the Compact, and any employees, contractors, agents or authorized representatives engaged by any of the foregoing: (a) all books, records, documents and other evidence related to this Agreement (and any other Records or Compact Records pertaining to the Agency Services) for inspection and copying for the purpose of conducting any assessment, review, audit or evaluation of the Program, MCC Funding or the utilization of goods, services or works funded with MCC Funding and (b) access to all relevant directors, officers, employees, affiliates, contractors, advisors, agents or representatives of the Fiscal Agent in connection with any such assessment, review, audit or evaluation. The Fiscal Agent shall provide access to all books, records, documents and other evidence associated with the Program, including any Records or Compact Records and any electronic or digital copy of any thereof, and all systems and facilities used to execute its responsibilities, for a period of at least five (5) years after the expiration or termination of this Agreement, or such longer period if required to resolve any litigation, claims or audit findings or if required pursuant to any statutory requirements, unless such items have been returned to MCA-Senegal pursuant to Section 3.4(c).

Section 1.7 Fiscal Agent Staff and Subcontractors.

(a) The Fiscal Agent shall use only qualified, experienced, and reliable staff for the performance of the Agency Services. The rights and duties of the Fiscal Agent's staff shall be defined in the contracts between such staff and the Fiscal Agent, which rights and duties, to the extent such staff is hired in Senegal under the laws of Senegal, shall be in accordance with all labor laws and regulations of Senegal. The Fiscal Agent's staff shall include the key personnel set forth on Exhibit B and such other additions or replacements determined in accordance with this Section 1.7. The Fiscal Agent shall obtain all necessary immigration, business and other permits, licenses, consents, and approvals to enable the Fiscal Agent and its personnel to fully perform its obligations under this Agreement; **provided, however,** that no Taxes shall be paid with the proceeds of MCC Funding for any such permits, licenses, consents or approvals.

(b) The Fiscal Agent may enter into subcontracts with firms or individuals to assist the Fiscal Agent in providing the Agency Services; *provided, however*, that (i) the engagement of any such firms or individuals shall be subject to the prior approval of MCA-Senegal and, if required pursuant to the Program Implementation Agreement, MCC, (ii) the Fiscal Agent shall ensure that such subcontractors use only qualified, experienced and reliable personnel to perform the Agency Services, and (iii) each approved subcontract contains the relevant provisions, in the form and manner and to the extent required by the 609(g) Agreement and the Compact (including provisions regarding limitations on use of MCC Funding, books and records, audits and access), a summary of which may be found on the MCC website at http://www.mcc.gov/mcc/bm.doc/general_provisions.pdf. The Fiscal Agent shall assume liability for the services rendered by any subcontractor, and any such subcontracting by the Fiscal Agent shall not relieve the Fiscal Agent of its responsibilities under this Agreement to provide the Agency Services in accordance with the terms of this Agreement.

(c) The Fiscal Agent shall comply, and shall ensure that all of its subcontractors comply, with all applicable laws of Senegal regarding employment of personnel in Senegal. The Fiscal Agent shall be responsible for and shall take all necessary action with respect to any misconduct or failure of any staff or any subcontractors to comply with their contractual obligations. Further, upon the request of MCA-Senegal, the Fiscal Agent shall take all reasonable action requested by MCA-Senegal to address any misconduct or failure of the Fiscal Agent staff or subcontractors. Neither MCA-Senegal nor MCC shall have any direct or indirect liability under or in respect of such contracts with staff or any subcontractors retained by the Fiscal Agent.

(d) The names and positions of the Fiscal Agent's key personnel and any subcontractors that MCA-Senegal and MCC have approved as of the Effective Date are listed on Exhibit B.

(e) Any replacement, modification or addition by the Fiscal Agent (whether pursuant to Section 1.7(f) or otherwise) to its key personnel or positions identified on Exhibit B shall be subject to the prior approval of MCA-Senegal and MCC. Any replacement, modification or addition to the Fiscal Agent's subcontractors shall be subject to the prior approval of MCA-Senegal and, if required pursuant to the Program Implementation Agreement, MCC. If not expressly approved earlier, a request for replacement, modification or addition shall be deemed approved thirty (30) days after submission thereof to MCA Senegal (with copy to MCC), unless a contrary written communication is provided to the Fiscal Agent within this period. In each case, such approval shall not be unreasonably withheld; *provided, however*, that any potential interruption, delay or material alteration of the Agency Services shall be a sufficient reason for MCA- Senegal or MCC to deny such approval.

(f) MCA-Senegal is entitled to demand the replacement of any staff member or subcontractor if MCA-Senegal reasonably believes that such staff member or subcontractor is not suitable to perform the Agency Services because of health, language ability, professional qualifications, or for any other reasonable cause.

(g) The Fiscal Agent shall ensure that the process of replacing a staff member or subcontractor under this Section 1.7 will not delay, interrupt or materially alter in any way the performance of the Agency Services.

(h) The Fiscal Agent shall ensure that none of the personnel, including personnel identified on Exhibit B, or any staff or subcontractors retained to provide Agency Services, engage in or perform any fiscal management-related activities under the Procurement Agent Agreement without the prior approval of MCA-Senegal and MCC. The Fiscal Agent shall ensure appropriate separation of duties between the staff and subcontractors providing procurement management-related services pursuant to the Procurement Agent Agreement, and the staff and subcontractors of the Fiscal Agent providing fiscal management-related services and other Agency Services hereunder, and shall put in place procedures to ensure independence and accountability of these separate functions. The Fiscal Agent shall promptly notify MCA-Senegal and MCC upon the occurrence of any failure to maintain such separation of duties, independence and accountability, and shall take such corrective measures as MCA-Senegal or MCC may request.

Section 1.8 Compliance with Compact Documents, etc. The Fiscal Agent shall comply with (a) applicable laws and regulations, (b) this Agreement, the relevant provisions of the 609(g) Agreement, the Compact, the Program Implementation Agreement, the Bank Agreement, other relevant Supplemental Agreements, the Fiscal Accountability Plan, the Procurement Plan and any other agreement or document related to the Compact or the 609(g) Agreement, (c) any agreement entered into or document delivered pursuant to Section 2.2 of the Compact related to Compact Implementation Funding (each such agreement or document, a "*CIF Implementation Document*"), (d) guidance and procedures provided by MCA-Senegal from time to time, and (e) such other agreements and documents as the Parties may agree, which agreements and documents (including any amendments thereto) shall be delivered by MCA-Senegal to the Fiscal Agent.

Section 1.9 Bank Agreement; Bank Matters.

(a) The Fiscal Agent shall execute a Bank Agreement, by and among MCA-Senegal, a Bank and the Fiscal Agent, as approved by MCC. The Fiscal Agent shall comply with the provisions of such Bank Agreement and with any other documentation with respect to a Permitted Account.

(b) The Fiscal Agent shall assist MCA-Senegal in the establishment of any Permitted Account, in accordance with the terms of the Bank Agreement. The Fiscal Agent shall not assist MCA-Senegal in the establishment of any other accounts except with the express prior consent of MCC.

(c) The Fiscal Agent shall take all actions that are necessary or appropriate to monitor and ensure that the Bank (i) refunds on a quarterly basis all accrued interest to an account designated by MCC and (ii) upon the request of MCC, refunds to an account designated by MCC any amounts of MCC Funding and accrued interest on any MCC Funding.

(d) The Fiscal Agent shall ensure that the Bank monitors any Permitted Account established with the Bank for prohibited activities and restricted parties as specified in the Bank Agreement, and the Fiscal Agent shall verify all Bank reports related to such matters and shall otherwise monitor such Permitted Accounts in accordance with Section 2.6.

Section 1.10 Taxes.

(a) The Fiscal Agent shall track all Tax exemptions, Taxes assessed and paid, and reimbursements of VAT Taxes (and any other Taxes), by the Government as required under Section 2.8 of the Compact and Section 3.2(l) of the 609(g) Agreement in order to (i) monitor full compliance with Section 2.8 of the Compact and Section 3.2(l) of the 609(g) Agreement and (ii) determine whether such Tax exemptions are being fully and fairly implemented and administered, and whether any Tax assessed and paid contrary to Section 2.8 of the Compact or Section 3.2(l) of the 609(g) Agreement is being promptly and fully refunded in accordance with Section 2.8 of the Compact, Section 3.2(l) of the 609(g) Agreement or any related agreement. The Fiscal Agent shall immediately notify MCA-Senegal, with a copy to MCC, of any failure by the Government to timely administer such Tax exemptions or promptly reimburse such Taxes. A Tax reimbursement shall not be deemed "promptly reimbursed" if such reimbursement is not paid within thirty (30) days after the date of the reimbursement request by the Fiscal Agent or any other party. MCA-Senegal shall ensure that the Fiscal Agent has access to appropriate Government authorities responsible for the administration of the Tax exemptions (including reimbursements) that are provided in Section 2.8 of the Compact and Section 3.2(l) of the 609(g) Agreement. The Fiscal Agent shall be entitled to request and utilize any certificates or documents evidencing Tax exemptions or reimbursement instructions delivered to MCC pursuant to the 609(g) Agreement, the Compact or the Program Implementation Agreement in the Fiscal Agent's efforts to monitor exemption, payment and reimbursement of Taxes.

(b) The Fees (as defined in Section 2.2 below) for the Agency Services and any other payments to the Fiscal Agent, its agents or employees provided hereunder and as set forth in Exhibit C, shall be exempt from the payment of Taxes to the extent permitted and as set forth in Section 2.8 of the Compact and Section 3.2(l) of the 609(g) Agreement. The Fiscal Agent shall be responsible and shall pay all applicable Taxes levied under Senegalese law that are not exempted pursuant to the Compact or the 609(g) Agreement. If the Fiscal Agent, or any of its agents or employees, is required to pay any Taxes in contravention of Section 2.8 of the Compact or Section 3.2(l) of the 609(g) Agreement, the Fiscal Agent, or such person, as applicable, shall promptly pay such Taxes as imposed and the Fiscal Agent shall promptly notify MCA-Senegal (or such agent or representative designated by MCA-Senegal) of any such Taxes paid. The Fiscal Agent shall cooperate with MCA-Senegal or its agents and representatives in seeking the prompt and proper reimbursement of such Taxes. For the avoidance of doubt, any variation or modification of, or agreement pursuant to, Section 2.8 of the Compact as may be agreed by the parties thereto shall not deprive the Fiscal Agent of the effect of the exemption provided by this Section 1.10(b).

(c) The Fiscal Agent, its agents and employees (including their eligible dependents) shall follow the usual customs procedures of Senegal in importing property into Senegal. If the Fiscal Agent, its agents or employees do not withdraw but dispose of any property in Senegal upon which customs duties or other Taxes have been exempted, such person (i) shall bear such

customs duties and other Taxes in conformity with applicable Senegal law, or (ii) shall reimburse such customs duties and Taxes to MCA-Senegal if such customs duties and Taxes were paid by MCA-Senegal at the time the property in question was brought into Senegal.

(d) MCA-Senegal shall use reasonable efforts to ensure that the Fiscal Agent, its agents and employees are provided the exemptions from taxation applicable to such persons or entities, in accordance with the terms of the 609(g) Agreement and the Compact.

Section 1.11 Insurance. The Fiscal Agent shall maintain, at all times during the Term (as defined in Section 3.1 below), satisfactory insurance or guarantees with respect to the Fiscal Agent's performance under this Agreement including carrying general comprehensive liability insurance and standard coverage of professional liability risks. The Fiscal Agent shall provide verification of insurance to MCA-Senegal and MCC. To the extent permitted or appropriate, such insurance or guarantees shall name MCA-Senegal and MCC as beneficiaries thereunder. At MCC's election, any proceeds from claims paid under such insurance or guarantees shall either be deposited in a Permitted Account designated by MCA-Senegal and acceptable to MCC, or be applied as otherwise directed by MCC.

Section 1.12 Audits; Certifications; Audit Plan; Right of Use; Conflicts of Interest.

(a) The Fiscal Agent shall comply with the requirements of Sections 3.8 (a), (b), (c) and (d) of the Compact and the applicable sections of Article 6 of the 609(g) Agreement, and such provisions are hereby incorporated by reference herein *mutatis mutandis*.

(b) The Fiscal Agent shall certify as true and correct any Records or Compact Records or other reports or documents relating to the Agency Services required to be delivered to or by the Government, including MCA-Senegal, under the 609(g) Agreement, the Compact, other Supplemental Agreements or the Implementation Plan Documents. With respect to certifications that may be required to be given by the Fiscal Agent, the Fiscal Agent shall provide such certifications following due diligence and due care in its review into the information or matter being certified (including into the truth, accuracy and completeness of the information).

(c) The Fiscal Agent shall provide assistance as necessary in the development of the Audit Plan. MCA-Senegal shall provide to the Fiscal Agent a copy of any final Audit Plan as duly adopted by MCA-Senegal (and as approved by MCC). The Fiscal Agent shall comply with the terms of the Audit Plan (including the reporting standards required therein) and, upon request by MCA-Senegal or MCC, the Fiscal Agent shall take appropriate, effective, and timely corrective actions in response to any audit findings.

(d) MCA-Senegal and MCC shall have the right to use any information contained in any report or document delivered to or otherwise made available by the Fiscal Agent to MCA-Senegal or MCC.

(e) The Fiscal Agent shall ensure that no director, officer, employee, affiliate, contractor, subcontractor, agent, advisor or representative of the Fiscal Agent 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 which (i) the person, members of the person's immediate family or household or his or her business partners, or organizations

controlled by or substantially involving such person, has or have a financial interest, or (ii) the person is negotiating or has any arrangement concerning prospective employment, unless such person has first disclosed in writing to MCA-Senegal and MCC the conflict of interest and, following such disclosure, MCA-Senegal and MCC have agreed in writing to proceed notwithstanding such conflict. This shall not constrain MCA-Senegal (with prior MCC approval) from commissioning the Fiscal Agent with the provision of additional services related to the implementation of the Compact in Senegal. The Fiscal Agent's officers, directors, employees, subcontractors, agents and representatives shall not, and the Fiscal Agent shall ensure that no person involved in the selection, award, administration or implementation of any contract, grant or other benefit or transaction financed in whole or in part (directly or indirectly) by MCC Funding shall, solicit or accept or offer a third party or seek or be promised directly or indirectly for itself or for another person or entity any gift, gratuity, favor or benefit, other than items of *de minimis* value and otherwise consistent with such guidance as MCC may provide from time to time. None of the Fiscal Agent's officers, directors, employees, agents or representatives active in the Program shall engage in any activity which is, or gives the appearance of being, a conflict of interest.

Section 1.13 Requests for Disbursements.

(a) MCA-Senegal hereby authorizes the Fiscal Agent to submit requests to the Paying Agent for direct payments to vendors for goods, works or services received by MCA-Senegal, on the basis of proper evidence and documentation (including proper approvals) and otherwise in accordance with this Agreement (including the relevant sections of Exhibit A), the 609(g) Agreement, the Compact, the Program Implementation Agreement, other relevant Supplemental Agreements (including the relevant contract or agreement with such vendor or individual), the Procurement Plan and the Fiscal Accountability Plan.

(b) To the extent a Local Account exists pursuant to the terms of the Program Implementation Agreement or the Bank Agreement, MCA-Senegal hereby authorizes the Fiscal Agent to submit requests to the Paying Agent for transfer of the anticipated necessary amount of funds into the Local Account to settle payments to vendors and individuals in the currency of Senegal or as otherwise specified in the Fiscal Accountability Plan. Following such transfers of funds into the Local Account, the Fiscal Agent shall make payments from the Local Account to vendors or individuals in satisfaction of obligations incurred as part of the Program, upon MCA-Senegal's prior approval of the same (and, if applicable, upon MCC's prior approval of the same), on the basis of proper evidence and documentation (including proper approvals) and otherwise in accordance with this Agreement (including the relevant Sections of Exhibit A), the 609(g) Agreement, the Compact, the Program Implementation Agreement, other relevant Supplemental Agreements (including the relevant contract or agreement with such vendor or individual), the Procurement Plan and the Fiscal Accountability Plan.

ARTICLE 2.

FISCAL AGENT GENERALLY

Section 2.1 Standard of Care.

(a) The Fiscal Agent shall exercise all skill, reasonable care, prudence and diligence in the discharge of its duties and obligations under this Agreement, as would be expected from a skilled and experienced fiscal agent. The Fiscal Agent shall carry out all Agency Services in a timely and cost-effective manner and in conformity with professionally sound technical, financial and management practices requisite for successful provision of the Agency Services, and in accordance with internationally accepted accounting and financial management principles and practices. The Fiscal Agent shall use at least the same standard of due care in handling all funds (including MCC Funding) in its performance of this Agreement as it would use with its own funds; and at least the reasonable prudent care of a bank fiduciary.

(b) Prior to the adoption and approval of the Fiscal Accountability Plan, the Interim Fiscal Accountability Plan, in the form attached to this Agreement as Exhibit E, shall be deemed to be the Fiscal Accountability Plan for all purposes of this Agreement, unless otherwise agreed in writing by the Parties with the prior written approval of MCC.

Section 2.2 Fees.

(a) The Fiscal Agent's fees (the "*Fees*") hereunder are as set forth in Exhibit C, and MCA-Senegal shall be responsible for payment of such Fees in the amounts, on the dates and in the manner as designated therein; *provided, however*, that the Fiscal Agent has submitted invoices for such Fees, which invoices are subject to the approval of MCA-Senegal. The Fiscal Agent shall request payment of its invoices pursuant to the procedures set forth in Section 1.13, Exhibit A and the Fiscal Accountability Plan. The Fees as set forth on Exhibit C shall be full compensation for the services to be provided by the Fiscal Agent pursuant to this Agreement. Except as set forth in Exhibit C and Sections 1.3(b), 2.4(c), 3.2(d) and 3.4(b) of this Agreement, the Fiscal Agent shall not be entitled to any other compensation, costs, expenses or payment (including payment or reimbursement for third-party costs and expenses) in respect of the Agency Services or this Agreement.

(b) In the event MCA-Senegal disputes any invoice for Fees submitted by the Fiscal Agent for any reason, including the Fiscal Agent's failure to comply with the terms and conditions of this Agreement (including the proper provision of the Agency Services), MCA-Senegal may delay or refuse payment of all or any portion of any such invoice without any penalty pending resolution of the dispute in accordance with Section 4.8. Following resolution of any such dispute, MCA-Senegal shall be obligated to pay only that portion of the invoice (if any) found to be valid.

(c) Notwithstanding anything to the contrary in this Agreement, no payment shall be made to the Fiscal Agent in violation of Section 2.6 of the Compact or Section 3.2(k) of the 609(g) Agreement.

Section 2.3 Other Duties, Rights and Protections of the Fiscal Agent.

(a) The Fiscal Agent shall provide the Agency Services to MCA-Senegal with the expectation that the following requirements are met:

(i) cooperation of MCA Senegal's employees, representatives and/or advisors with the Fiscal Agent;

(ii) timely provision by MCA-Senegal of any and all information (such information shall be, to the knowledge of MCA-Senegal, true and accurate in all material respects), including documentation and comprehensive explanations, reasonably requested by the Fiscal Agent in connection with the Agency Services; and

(iii) MCA-Senegal timely making and implementing decisions, obtaining required approvals and issuing required documentation to enable the Fiscal Agent to proceed with the Agency Services; *provided, however*, that the Fiscal Agent provides MCA-Senegal with reasonable advance notice of decisions required.

(b) If at any time the Fiscal Agent is served with any judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process (an "*Action*") that in any way affects this Agreement or the transactions contemplated herein, the Fiscal Agent shall, within two (2) business days after such service, give notice and a copy of such Action to MCC and MCA-Senegal, and within five business days after such service, provide MCC and MCA-Senegal with an explanation and a description of the proposed corrective measures to be taken with respect thereto.

(c) To the extent that any amounts hereunder are duly owed and outstanding to the Fiscal Agent, MCA-Senegal shall be solely liable to pay those amounts, subject to Section 2.4 of this Agreement. For the avoidance of doubt, MCC shall have no responsibility or obligation to the Fiscal Agent for the payment of any fees, costs, indemnification expenses or any other expenses pursuant to this Agreement or otherwise.

(d) In the event of any ambiguity or uncertainty hereunder or in any notice, instruction or other communication received by the Fiscal Agent hereunder, the Fiscal Agent shall promptly notify MCA-Senegal (or the party that provided such notice, instruction or other communication) and MCC of such ambiguity or uncertainty and refrain from taking any action unless and until the Fiscal Agent receives from MCA-Senegal (or from the party that provided the original instruction) an instruction that eliminates such ambiguity or uncertainty.

Section 2.4 Liabilities; Indemnification.

(a) The Fiscal Agent shall indemnify, defend and hold harmless each of MCA-Senegal (including its directors, officers, employees, affiliates, agents, advisors and representatives) and MCC (including its directors, officers, employees, affiliates, agents, advisors and representatives) (MCA-Senegal, MCC and any such affiliate or person a "*MCC Indemnified Party*") from and against any and all claims, losses, actions, liabilities, costs, damages or expenses, including reasonable attorneys' fees and expenses (but excluding any lost profits or other special, incidental, indirect, punitive or consequential damages (except as set

forth in Section 2.4(b)), regardless of the form of action and whether or not any such damages were foreseeable or contemplated (collectively, the "**MCA-Senegal Losses**") arising from or in connection with the negligence, bad faith, willful or intentional misconduct of the Fiscal Agent, or a breach of this Agreement by the Fiscal Agent, except if and to the extent that any such MCA-Senegal Losses are attributable to the gross negligence or the willful misconduct of MCA-Senegal.

(b) In the event that any payment to any vendor or individual is delayed by more than thirty (30) days after the date of receipt of a valid and acceptable invoice by MCA-Senegal due to the negligence or willful misconduct of the Fiscal Agent, the Fiscal Agent shall be liable for, and shall indemnify all MCC Indemnified Parties from and against, any claims (including claims for interest) from such vendors or individuals.

(c) MCA-Senegal shall indemnify, defend and hold harmless the Fiscal Agent (including its directors, officers, employees, affiliates, agents, advisors and representatives) from and against any and all claims, losses, actions, liabilities, costs, damages or expenses, including reasonable attorneys' fees and expenses (but excluding any lost profits or other special, incidental, indirect, punitive or consequential damages), regardless of the form of action and whether or not any such damages were foreseeable or contemplated (collectively, the "**Fiscal Agent Losses**") arising from or in connection with the gross negligence, bad faith, willful or intentional misconduct of MCA-Senegal, or a breach of this Agreement by MCA-Senegal, except if and to the extent that any such Fiscal Agent Losses are attributable to the gross negligence or the willful misconduct of the Fiscal Agent.

(d) In the event that any amounts are owed by MCA-Senegal to the Fiscal Agent as the result of any delay or default of MCA-Senegal, or as a result of Section 2.4(c), MCA-Senegal shall be solely liable for the payment of such amounts (such payment to be made from national funds), and in no event shall such payments be authorized or made from any MCC Funding, nor shall Program Assets be used to satisfy any such obligations.

(e) Except as provided in Section 2.4(b), in no event shall either Party be liable to the other Party or any third-party for consequential, special, incidental or punitive losses, damages or expenses (including, without limitation, lost profits) arising from or in connection with this Agreement, even if such Party has been advised of the possible existence thereof.

(f) The Fiscal Agent shall not request payment from the Paying Agent, or make payment from any Permitted Account, on behalf of MCA-Senegal or otherwise, for any indemnification or similar payment to any party without the prior approval of MCC.

Section 2.5 Merger; Consolidation. Any corporation or association in which the Fiscal Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall, with the prior consent of MCA-Senegal and MCC, be and become a successor to the Fiscal Agent and shall be vested with all of the title to the assets and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or

conveyance on the part of any of the Parties, except where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

Section 2.6 Monitoring.

(a) The Fiscal Agent shall ensure that the use of MCC Funding complies with (i) Section 2.6 of the Compact and Section 3.2(k) of the 609(g) Agreement, (ii) all applicable United States laws, regulations and executive orders relating to money laundering, terrorist financing, restrictive trade practices or boycotts, United States sanctions laws and regulations and other economic sanctions or other restrictions promulgated from time to time by means of any statute, executive order, regulation or as administered by the Office of Foreign Assets Control of the United States Treasury Department or any successor governmental authority, including 18 U.S.C. Section 1956, 18 U.S.C. Section 1957, 18 U.S.C. Section 2339A, 18 U.S.C. Section 2339B, 18 U.S.C. Section 2339C, 18 U.S.C. Section 981, 18 U.S.C. Section 982, Executive Order 13224, 15 C.F.R. Part 760, and those economic sanctions programs enumerated at 31 C.F.R. Parts 500 through 598, (iii) the eligibility requirements set forth in the MCC Program Procurement Guidelines, (iv) any applicable laws of Senegal or regulations relating to terrorist financing, money laundering, or similar activity, and (v) any other limitations, restrictions, or requirements as set forth in paragraphs F and G of the General Provisions Annex, which are incorporated herein by reference *mutatis mutandis* (for purposes of this section, references to the "Contract Party" in paragraphs F and G of the General Provisions Annex shall be deemed to be references to the Fiscal Agent and references therein to the "MCA Entity" shall be deemed to be references to MCA-Senegal).

(b) The Fiscal Agent shall verify, or cause to be verified, any individual, corporation or other entity that has access to, or who is a recipient of, MCC Funding. Such verification may include verifying if such name appears on applicable watch lists such as the lists maintained on <https://www.epls.gov>, the World Bank debarred list, <http://www.treas.gov/offices/enforcement/ofac>, the consolidated list of individuals and entities maintained by the "1267 Committee" of the United Nations Security Council, and such other lists as MCA-Senegal may request from time to time.

(c) The Fiscal Agent shall (i) conduct such verification as described in subsection (b) of this Section 2.6 in connection with each Disbursement or at such time as MCC may from time to time reasonably request, including a review of any verification report generated by the Bank pursuant to the Bank Agreement and (ii) deliver a report of such monitoring and verification to MCA-Senegal (with a copy to MCC) on at least a quarterly basis or such other reasonable period as MCA-Senegal or MCC may request from time to time.

(d) The Fiscal Agent shall ensure and verify, or cause to be verified, that no payments have been or will be received by any official of the Fiscal Agent, MCA-Senegal or any other government official in connection with this Agreement and no payments have been made by the Fiscal Agent or any other party to any third party, in connection with this Agreement, in violation of (i) the United States Foreign Corrupt Practices Act of 1977, as amended (15 U.S.C. 78a et seq.) ("*FCPA*"), or that otherwise would have been in violation of the *FCPA* if the party

making such payments was a United States person or entity or (ii) any applicable laws or regulations of Senegal relating to anti-bribery or corruption.

Section 2.7 Joint and Several Liability: Sole Point of Contact.

(a) GFA Consulting and Charles Kendall have collectively been identified as the "Fiscal Agent" pursuant to this Agreement, and both such entities have executed this Agreement as the "Fiscal Agent". GFA Consulting and Charles Kendall agree to collectively perform all of the obligations of the "Fiscal Agent" pursuant to this Agreement, and each of GFA Consulting and Charles Kendall acknowledges that MCA-Senegal recognizes no separation of responsibilities or liabilities between GFA Consulting and Charles Kendall in connection with the performance of the Fiscal Agent's obligations pursuant to this Agreement. Notwithstanding anything in this Agreement to the contrary (including the designation of GFA Consulting as the sole point of contact for the Fiscal Agent pursuant to subsection (b) of this Section), the liability of each of GFA Consulting and Charles Kendall shall be joint and several with respect to all of the obligations of the Fiscal Agent under this Agreement.

(b) Without limiting the provisions of subsection (a) above, GFA Consulting and Charles Kendall hereby designate GFA Consulting as the sole point of contact for purposes of carrying out the Fiscal Agent obligations hereunder, and MCA-Senegal hereby agrees to such designation. GFA Consulting will serve in such capacity until such time as the Parties agree otherwise in writing. In such capacity, GFA Consulting shall perform the Fiscal Agent obligations hereunder and exercise the Fiscal Agent rights hereunder (including executing documents, granting approvals and receiving notices), and all actions taken by GFA Consulting in respect of this Agreement shall be binding on both GFA Consulting and Charles Kendall, collectively, as the "Fiscal Agent". Without limiting the foregoing, MCA-Senegal and MCC shall deem GFA Consulting as representative of both GFA Consulting and Charles Kendall, communicate only with GFA Consulting in respect of matters under this Agreement and the Fiscal Agent's responsibilities and rely on all decisions of, and communications from, GFA Consulting made as the Fiscal Agent.

ARTICLE 3.

TERM; SUSPENSION; TERMINATION

Section 3.1 Term. This Agreement shall be effective as of the Effective Date and shall terminate on the first anniversary of the Effective Date (the "**Term**"), unless terminated earlier in accordance with Section 3.3; ***provided, however,*** that (a) the Term shall automatically extend for a successive one (1) year period (not to exceed five (5) such consecutive periods), unless MCA-Senegal (with the prior approval of MCC) notifies the Fiscal Agent in writing of its election not to renew the Term, at least sixty (60) days prior to the end of the Term or the end of the applicable renewal period, as the case may be, and (b) the final option period of the Term may be more or less than one year, but in all cases, shall terminate no later than one hundred twenty (120) days following the expiration or termination of the Compact. If the final option period is reduced or extended beyond twelve (12) months in accordance with this Section 3.1, the Fees owing in connection with that option period shall be prorated accordingly.

Section 3.2 Suspension.

(a) MCA-Senegal (with the prior approval of MCC) may suspend this Agreement, in whole or in part, upon delivery of notice to the Fiscal Agent.

(b) MCC may suspend this Agreement, in whole or in part, upon delivery of notice to the Fiscal Agent and MCA-Senegal.

(c) Upon receipt of a notice of suspension pursuant to this Section 3.2, the Fiscal Agent shall suspend all activity in respect of the Paying Agent, the Permitted Accounts and all Agency Services, except as otherwise stated in the notice of suspension. Such activity and Agency Services shall remain suspended until the suspension is lifted by instruction from the party that initiated such suspension.

(d) If the Fiscal Agent is not in breach of its obligations under this Agreement, the Fiscal Agent shall be entitled to (i) reimbursement for any incurred Fees due if such suspension is lifted within sixty (60) days after notice of the suspension is delivered pursuant to Section 3.2(a), and (ii) if such suspension results in termination, reimbursement for reasonable unavoidable third-party expenses in accordance with, and subject to the terms (including the duty to mitigate) of, Section 3.4(b).

(e) In the event that a suspension pursuant to this Section 3.2 extends for more than sixty (60) days, MCA-Senegal or the Fiscal Agent may terminate this Agreement at its election by giving notice to the other Party and MCC at least ninety (90) days prior to the effective date of such termination; *provided, however*, that during the ninety (90) day notification period, the Party submitting the termination notice may withdraw its notice of termination; and *provided, further*, that any such termination initiated by the Fiscal Agent shall not be effective until satisfaction of Sections 3.3(d) and (e); and *provided further* that the Fiscal Agent shall have no right to terminate the Agreement pursuant to this Section 3.2(e) to the extent that the applicable suspension results from or arises out of the default, gross negligence or willful misconduct of the Fiscal Agent hereunder.

Section 3.3 Termination of this Agreement.

(a) If MCA-Senegal defaults in the observance or performance of any of its material obligations under this Agreement and such default remains uncured thirty (30) days after notice of such default is delivered by the Fiscal Agent, the Fiscal Agent may terminate this Agreement by ninety (90) days' prior notice to MCA-Senegal and MCC; *provided, however*, that, unless MCC otherwise agrees in writing, such termination shall not be effective until satisfaction of Sections 3.3(d) and (e).

(b) MCA-Senegal (with the prior approval of MCC) or MCC may terminate this Agreement, at any time:

(i) with cause, upon written notice to the Fiscal Agent; or

(ii) without cause, by giving written notice to the Fiscal Agent sixty (60) days prior to the effective date of such termination, with such notice stating that the termination is without cause.

For purposes of Section 3.3(b)(i), "cause" shall include: (1) any material breach or material default by the Fiscal Agent of any provision of this Agreement (including breach of any representation or warranty) that remains, in the sole opinion of MCA-Senegal, uncured for thirty (30) days after notice of such breach or default is delivered to the Fiscal Agent by MCA-Senegal; (2) the negligence, bad faith or willful misconduct of the Fiscal Agent or its respective directors, officers, employees, affiliates, contractors, agents and representatives; (3) the insolvency, bankruptcy or liquidation of the Fiscal Agent, or the appointment of a receiver or administrator to manage the affairs of the Fiscal Agent; (4) if MCC determines (in its sole discretion) that the Fiscal Agent is engaged in activities that are contrary to the national security interests of the United States or other acts or omissions that may be grounds for suspension or termination under Section 5.1(b) of the Compact or Section 7.2(b) of the 609(g) Agreement; (5) if the Compact is terminated for any reason; or (6) if the Fiscal Agent is terminated for cause in its capacity as the Procurement Agent under the Procurement Agent Agreement.

(c) The Fiscal Agent may terminate this Agreement in accordance with Section 3.2(e) or Section 3.5(c).

(d) Following the delivery of a termination notice pursuant to Section 3.3(a), 3.3(b) or 3.3(c), MCA-Senegal shall appoint, with the prior approval of MCC, a successor fiscal agent (the "**Successor Fiscal Agent**"). Upon an entity's acceptance of such appointment as a Successor Fiscal Agent, MCA-Senegal shall provide notice thereof to the resigning Fiscal Agent and to the Bank.

(e) MCA-Senegal shall cause the Successor Fiscal Agent to execute (i) a new fiscal agent agreement (the "**Successor Fiscal Agent Agreement**"), the form and substance of which shall be approved by MCC, and (ii) an assignment and assumption agreement with regard to all of the Fiscal Agent's obligations under the Bank Agreement (the "**Bank Assignment and Assumption Agreement**"), which Bank Assignment and Assumption Agreement shall (1) be executed by the Fiscal Agent (if so requested by MCA-Senegal) and (2) be in form and substance acceptable to MCC. Immediately upon execution of both the Successor Fiscal Agent Agreement and the Bank Assignment and Assumption Agreement, this Agreement shall terminate; **provided, however,** that MCA-Senegal (with the prior approval of MCC) may extend the Term of the Fiscal Agent for a period specified by MCA-Senegal if MCA-Senegal determines that obligations of the Fiscal Agent remain to be performed.

Section 3.4 Consequence of Termination.

(a) If the termination of this Agreement is pursuant to Section 3.3(b)(i), MCA-Senegal shall pay to the Fiscal Agent the Fees as set forth in Section 2.2 for the Agency Services rendered up to the date of the event constituting cause for such termination, and MCA-Senegal shall have no obligation to pay any Fees that accrue following such date. The amount of such Fees shall be calculated on a *pro rata* basis to the extent applicable. MCA-Senegal shall be entitled to claim damages for any loss or damage resulting from the event constituting cause for

such termination and MCA-Senegal may (i) deduct such damages from the Fiscal Agent's remuneration and (ii) act in accordance with the rights set forth in Section 2.2(b).

(b) If the termination of this Agreement is pursuant to Section 3.3(a) or 3.3(b)(ii), the Fiscal Agent shall be entitled to receive those Fees incurred prior to the effective date of the termination and, in the event of a termination pursuant to Section 3.3(b)(ii), the Fiscal Agent shall be entitled to receive such reasonable unavoidable third-party expenses incurred by the Fiscal Agent prior to such effective date of termination ("*Administrative Expenses*"); *provided, however*, that the Fiscal Agent shall seek to cancel such obligations and mitigate all such Administrative Expenses.

(c) Upon any termination of this Agreement, the Fiscal Agent shall ensure the orderly and timely transfer of all records, documents, data and information (together with all electronic and digital copies thereof) to MCA-Senegal or such agent or representative designated by MCA-Senegal (with MCC approval) or MCC, and the Fiscal Agent shall take any other actions reasonably requested by MCA-Senegal or MCC to ensure the proper transition of any Agency Services, if applicable.

Section 3.5 Force Majeure.

(a) For purposes of this Section 3.5, an "event of force majeure" means the occurrence of any event that prevents either Party from performing any or all of its obligations pursuant to this Agreement, which event arises from or is attributable to acts, events, omissions or accidents beyond the reasonable control of such Party, such as acts of God, war, riot, civil commotion, armed conflict or terrorist attack, accidental or malicious damage, fire, flood or storm.

(b) If, due to an event of force majeure, either Party is unable to perform any of its obligations set forth herein, such failure to perform shall not constitute a default pursuant to this Agreement during the continuation of such event of force majeure, and for such time after such event of force majeure ceases as is absolutely necessary for such Party, using all reasonable endeavors, to recommence and perform its obligations; *provided, however*, that such Party: (i) shall as soon as possible serve notice in writing to the other Party specifying the nature and extent of the circumstances giving rise to the event of force majeure; (ii) shall take all reasonable steps to avoid such prevention or delay due to such event of force majeure; and shall use all reasonable endeavors to recommence and perform its obligations as quickly as possible following the occurrence of such event of force majeure; (iii) shall mitigate any expenses, losses or damages resulting from the event of force majeure; and (iv) shall give reasonable notice in writing to the other Party of the termination of the event of force majeure. The corresponding obligations of the other Party will be suspended to the same extent.

(c) Subject always to the provisions of Section 3.5(b), if either Party is prevented from performance of a material portion of its obligations pursuant to this Agreement by reason of an event of force majeure for a continuous period in excess of sixty (60) days, either Party may terminate this Agreement by giving ninety (90) days written notice of such termination to the other Party, *provided, however*, that any termination under this Section 3.5(c) shall not be effective until satisfaction of Sections 3.3(d) and 3.3(e) and, in the event of such termination,

neither Party will have any liability to the other from and after the date of such termination except with respect to any rights and liabilities which accrued prior to the date of such termination. Notwithstanding the foregoing, upon MCA-Senegal's and MCC's receipt of evidence satisfactory to MCA-Senegal and MCC that such event of force majeure prevents the Fiscal Agent from performing all of its material obligations under this Agreement, termination of this Agreement will not require the prior satisfaction of Sections 3.3(d) and 3.3(e).

(d) Nothing in this Section 3.5 shall entitle the Fiscal Agent to claim an event of force majeure in the event that MCA-Senegal has suspended performance of this Agreement pursuant to Section 3.2 or has notified the Fiscal Agent that it intends to suspend such performance.

(e) Any dispute regarding this Section 3.5 shall be resolved in accordance with the dispute resolution provisions set forth in Section 4.8.

Section 3.6 Survival. Notwithstanding any expiration, suspension or termination of this Agreement, the following provisions of this Agreement shall survive: Sections 1.3, 1.4, 1.5, 1.6, 1.8, 1.9, 1.10, 1.11, 1.12, 2.2, 2.4, 3.5, 3.6, 4.2, 4.4, 4.5, 4.7, 4.8, 4.12, 4.15 and 4.19 and Exhibit C.

ARTICLE 4.

MISCELLANEOUS

Section 4.1 Representations and Warranties of the Fiscal Agent. The Fiscal Agent hereby represents and warrants to MCA-Senegal that, as of the Effective Date:

(a) (i) in the case of GFA Consulting, it is a private limited company (company registration no. B 30219, Commercial Register of the District Court of Hamburg), duly formed, validly existing and in good standing under the laws of Federal Republic of Germany and (ii) in the case of Charles Kendall, it is a private limited company (company registration no. 005232310), duly formed, validly existing and in good standing under the laws of England, and each of GFA Consulting and Charles Kendall has all requisite power and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby and to perform its obligations hereunder;

(b) it has duly authorized, executed and delivered this Agreement;

(c) this Agreement constitutes a valid and legally binding obligation of the Fiscal Agent, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditors' rights and subject to general equitable principles;

(d) neither the execution and delivery of this Agreement, nor the performance by the Fiscal Agent of its obligations hereunder will, with or without the giving of notice or the passage of time or both: (i) violate any provision of applicable laws or regulations; (ii) violate the provisions of its organizational documents; (iii) violate any judgment, decree, order or award of any court or governmental authority applicable to it; or (iv) conflict with or result in the breach

or termination of any term or provision of, or constitute a default under, any instrument or agreement to which it is a party or by which it or any of its assets is bound;

(e) no consents or approvals of any person other than the approval of its board of directors or similar governing body are required in connection with the execution and delivery of this Agreement or the performance by it of its obligations under this Agreement;

(f) no petition, notice, or order has been presented, no order has been made and no resolution has been passed for its bankruptcy, liquidation, winding-up or dissolution; no receiver, trustee, custodian or similar fiduciary has been appointed over the whole or any part of its income or assets, nor does it have any plan or intention of, nor has it received any notice that any other person has any plan or intention of, filing, making or obtaining any such petition, notice, order or resolution or of seeking the appointment of a receiver, trustee, custodian or similar fiduciary;

(g) no payments have been made or caused to be made by the Fiscal Agent to any third party, including any Government official, in connection with this Agreement or the Program in violation of the FCPA or that otherwise would have been in violation of the FCPA if the party making such payments was a United States person or entity; and no payments have been made, or caused to be made, by the Fiscal Agent to any third party in connection with this Agreement in violation of any applicable laws or regulations of Senegal relating to anti-bribery and corruption;

(h) the information contained in the Fiscal Agent's proposal (dated June 12, 2009) and any agreement, report, statement, communication, or document otherwise delivered or otherwise communicated to MCA-Senegal or its agents or representatives or to MCC or its agents or representatives by or on behalf of the Fiscal Agent in connection with this Agreement (i) is true, accurate and complete in all material respects and (ii) does not omit any fact known to the Fiscal Agent that if disclosed would (A) alter in any material respect the information delivered, (B) would likely have a material adverse effect on the Fiscal Agent's ability to effectively provide, or ensure the effective provision of, the services contemplated by this Agreement or to otherwise carry out its responsibilities or obligations under this Agreement, or (C) have likely adversely affected MCA-Senegal's determination to enter into this Agreement; and

(i) the Fiscal Agent, its personnel, subcontractors and associates are not (i) blacklisted from participation in procurements funded by The World Bank, (ii) debarred or suspended from participation in procurements funded by the United States Government, or (iii) otherwise prohibited from receiving assistance by applicable United States law or executive order or United States policies including under any then-existing anti-terrorist laws or policies.

Section 4.2 Confidentiality.

(a) Each Party and its directors, officers, employees, agents, advisors and representatives shall hold, and shall use commercially reasonable efforts to cause its affiliates to hold, in strict confidence from any person (other than any such affiliate or the other Party) all documents, reports, cost estimates technical and other data and other information, including

financial information, pertaining to this Agreement, the transactions contemplated hereby or the Program, including the Permitted Accounts and the Fiscal Accountability Plan, that are not otherwise publicly available ("**Confidential Information**"); **provided, however**, that all Confidential Information shall be provided to MCC and may be provided by MCC to any employees, contractors, agents, representatives of MCC, the Inspector General, the General Accountability Office, or others designated by MCC; **provided, further**, that each of MCC and MCA-Senegal may post on its respective website or otherwise make publicly available certain information, including quarterly financial reports, in accordance with the 609(g) Agreement, the Compact, the Program Implementation Agreement or any Supplemental Agreement. The Fiscal Agent shall ensure that only those with a need to know and under similar obligations of confidentiality shall have access to any and all Confidential Information provided to the Fiscal Agent or otherwise generated in connection with this Agreement and the Program.

(b) Notwithstanding Section 4.2(a), in the event that either Party is required to disclose any Confidential Information (i) in connection with any judicial or administrative proceedings or (ii) in order, in the reasonable opinion of counsel to the disclosing Party, to avoid violating applicable laws, the disclosing Party will in advance of such disclosure provide the other Party with prompt notice of such requirement(s). Each Party also agrees, to the extent legally permissible, to provide the other Party, in advance of any such disclosure, with copies of any Confidential Information it intends to disclose (and, if applicable, the text of the disclosure language itself) and to cooperate with the other Party to the extent such other Party may reasonably seek to prevent or otherwise limit such disclosure.

Section 4.3 Prohibition on Set-Off. The Fiscal Agent waives any and all rights of set-off, combination of accounts or counterclaim or any other right whatsoever it may have or hereafter acquire to apply amounts outstanding hereunder in discharge or satisfaction of any cost, right of reimbursement, expense, loss or other liability of the Fiscal Agent and all such rights are hereby released by the Fiscal Agent. All payments made by the Fiscal Agent under this Agreement shall be made without any deduction, withholding, set-off or counterclaim of any kind.

Section 4.4 Communications. Any notice, certificate, request, report, approval, document or other communication required, permitted, or submitted by either Party to the other under this Agreement shall be (a) in writing, (b) in English (and French, if required by Exhibit A; **provided, however** that in the event of ambiguity or conflict between the English and French versions, the English version shall prevail) and (c) deemed duly given: (i) upon personal delivery to the Party (or MCC, as applicable) to be notified; (ii) when sent by confirmed facsimile or electronic mail, if sent during normal business hours of the recipient Party (or MCC, as applicable), 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 MCC, as applicable) to be notified at the address indicated below, or at such other address as such Party (or MCC, as applicable) may designate by notice to the other Party (and MCC):

To the Fiscal Agent:

GFA Consulting Group GmbH
Eulenkrugstr. 82 – D-22359
Hamburg – FR Germany
Attention: Dr. Susanne Pecher
Facsimile: +49-40-60306-119
Email: Susanne.Pecher@gfa-group.de

with a copy to

Charles Kendall & Partners Limited
7 Albert Court
Prince Consort Road
London SW7 2BJ
United Kingdom
Attention: John Povey and Terry Bowen, Directors
Facsimile: +44-207-584-1393
Email: jpovey@charleskendall.com
tbowen@charleskendall.com

To MFG-MCA (until MCA-Senegal joins this Agreement):

MFG-MCA
Avenue Bourguiba
Immeuble Gamma, 3eme étage
Dakar, Senegal
Attention: Director General
Facsimile: +221-33-825-0887
Email: ibradia@refer.sn

To MCA-Senegal: (upon joining this Agreement)

At an address, and to the attention of the person, to be designated in writing to the Fiscal Agent and MCC by MCA-Senegal.

To MCC:

Millennium Challenge Corporation
875 Fifteenth Street, N.W.
Washington, D.C. 20005
United States of America
Attention: Vice President, Compact Implementation
(with a copy to the Vice President and General Counsel)
Facsimile: +1-202-521-3700
Email: VPIImplementation@mcc.gov (Vice President, Compact Implementation);

VPGeneralCounsel@mcc.gov (Vice President and General Counsel)

Whenever under the terms hereof the time for giving a notice or performing an act falls on a day that is not a business day, such time shall be extended to the next day that is a business day. Until such time as the Parties have agreed otherwise in writing to replace GFA Consulting as the sole point of contact for the Fiscal Agent pursuant to Section 2.7(b), any notice, certificate, request, report, approval, document or other communication provided or submitted to GFA Consulting in accordance with this Section 4.4 shall be deemed to have been properly given to Charles Kendall.

Section 4.5 Assignment.

(a) This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors and permitted assignees.

(b) The Fiscal Agent may not assign, delegate, subcontract (except as provided for in Section 1.7 and approved by MCC) or otherwise transfer any of its rights or obligations under this Agreement (i) without the prior consent of MCA-Senegal and MCC, and (ii) until the prospective assignee has duly executed an assignment and assumption agreement prior to such transfer, signed by the Parties and approved in writing by MCC, under which the Fiscal Agent assigns to such assignee all of its right, title and interest to this Agreement and such assignee assumes all such rights and obligations of the Fiscal Agent then existing under this Agreement.

(c) Subject to subsection (d) below, MCA-Senegal may not assign, delegate, subcontract or otherwise transfer any of its rights or obligations under this Agreement (i) without the prior consent of the Fiscal Agent and MCC and (ii) until the prospective assignee has duly executed an assignment and assumption agreement prior to such transfer, signed by the Parties and approved in writing by MCC, under which MCA-Senegal assigns to such assignee all of its right, title and interest to this Agreement and such assignee assumes such rights and obligations of MCA-Senegal then existing under this Agreement. Notwithstanding the foregoing, MCA-Senegal may assign any claims under this Agreement to MCC, which assignment shall be effective upon receipt by the Fiscal Agent of notice of the assignment duly signed by MCA-Senegal and MCC.

(d) Upon execution and delivery of this Agreement by MCA-Senegal to the Fiscal Agent, all rights, obligations and claims of "MCA-Senegal" hereunder shall be deemed to have been assigned to, and accepted and assumed by, MCA-Senegal. Upon such assignment, MCA-Senegal shall join this Agreement as a Party. Until such assignment and MCA-Senegal joins this Agreement, any references herein to actions to be taken or rights received by "MCA-Senegal" shall be taken or received by MFG-MCA, on behalf of MCA-Senegal, including, without limitation those set forth in Exhibit A. Upon execution of this Agreement by MCA-Senegal, all references in this Agreement to "MCA-Senegal" shall be deemed references solely to MCA-Senegal, all rights and obligations of "MCA-Senegal" under this Agreement shall be solely rights and obligations of MCA-Senegal and only MCA-Senegal may take such actions or exercise such rights.

Section 4.6 Representatives. Unless otherwise agreed by the Parties, for all purposes relevant to this Agreement, (a) MFG-MCA shall be represented by the individual holding the position of, or acting as, the Director General of MFG-MCA (the "*MFG-MCA Principal Representative*") and (b) the Fiscal Agent shall be represented by the individual holding the position of, or acting as, its Fiscal Agent Manager (the "*Fiscal Agent Principal Representative*") and together with the MFG-MCA Principal Representative, each a "*Principal Representative*" and, collectively, the "*Principal Representatives*"), each of whom, by notice, 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 Party, and each Party may accept as duly authorized any instrument signed by such Principal Representative or Additional Representative relating to the implementation of this Agreement, until receipt of notice of revocation of their authority. A Party may replace its Principal Representative or an Additional Representative with a new representative upon written notice to the other Party, which notice shall include the specimen signature of the new Principal Representative or Additional Representative, as the case may be. MCA-Senegal shall inform the Fiscal Agent who will serve as its Principal Representative (the "*MCA-Senegal Principal Representative*") upon joining this Agreement.

Section 4.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws and regulations of Senegal.

Section 4.8 Dispute Resolution.

(a) All disputes, controversies or claims arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof, that cannot be settled amicably by the Parties within thirty (30) days of notification of such dispute, controversy or claim, shall be finally settled by arbitration under the rules of arbitration of the International Chamber of Commerce (the "*Rules*") by a tribunal composed of three arbitrators appointed in accordance with the Rules. The arbitration shall be institutionally administered by the ICC International Court of Arbitration in accordance with the Rules. The arbitration will be held in Paris, France and shall be conducted in English with simultaneous interpretation into French. The arbitration panel shall maintain a written transcript of the proceedings or hearings and render a reasoned written award.

(b) Without limiting the terms of Section 4.15, MCC has the right to be an observer or a party to any arbitration proceeding hereunder, in either case at its sole discretion, but does not have the obligation to participate in any arbitration proceeding, in any capacity. Whether or not MCC is an observer or a party to any arbitration hereunder, the Parties shall provide MCC with written transcripts of any arbitration proceedings or hearings and a copy of the reasoned written award within ten (10) days after (i) each such proceeding or hearing or (ii) the date on which any such award is issued. MCC may enforce its rights hereunder in an arbitration conducted in accordance with this provision or by bringing an action in any court that has jurisdiction. The acceptance by MCC of the right to be an observer or a party to the arbitration shall not constitute consent to the jurisdiction of the courts or any other body of Senegal or any other jurisdiction or to the jurisdiction of any arbitral panel.

(c) The costs associated with any settlement efforts before arbitration or associated with arbitration shall be allocated between MCA-Senegal and the Fiscal Agent as follows: (i) each Party shall be responsible for its own attorneys' fees and expenses, (ii) costs related to translation or interpretation shall be shared equally by the Parties, and (iii) all other costs associated with the arbitration shall be allocated as determined by the arbitration panel.

Section 4.9 Ownership of Documents. The copyright in all reports and related data and documents such as maps, diagrams, plans, statistics and supporting material prepared by the Fiscal Agent, or made available by the Fiscal Agent to MCA-Senegal, under this Agreement shall pass to MCA-Senegal, unless otherwise specified by MCA-Senegal in writing to the Fiscal Agent by MCC or MCA-Senegal (with the prior written consent of MCC).

Section 4.10 Relationship of the Parties. This Agreement does not create a joint venture, partnership, or other similar relationship between the Parties.

Section 4.11 Amendment; Waiver. The Parties may amend this Agreement by entering into a written amendment to this Agreement signed by the Principal Representatives of the Parties; **provided, however**, that any such amendment shall be subject to, and shall not be effective without, the prior approval of MCC. 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 waiver on such Party's part of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing.

Section 4.12 Nonwaiver of Remedies. 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, 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. All remedies, either under this Agreement, by law, or otherwise afforded to any Party, shall be cumulative and not alternative.

Section 4.13 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 4.14 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 4.15 MCC as Third Party Beneficiary; Reserved Rights.

(a) This Agreement is for the exclusive benefit of the Parties and their respective permitted successors hereunder, and shall not be deemed to give, either express or implied, any legal or equitable right, remedy, or claim to any other entity or person whatsoever, with the exception of MCC, which is hereby designated as third party beneficiary to this Agreement and shall have all of the rights provided to or reserved for it throughout this Agreement.

(b) MCC is a U.S. Government corporation acting on behalf of the U.S. Government in the implementation of the Compact. As such, MCC has no liability under this Agreement, the 609(g) Agreement, the Compact, the Program Implementation Agreement or any other Supplemental Agreement, is immune from any action or proceeding arising under or relating to this Agreement, the 609(g) Agreement, the Compact, the Program Implementation Agreement or any other Supplemental Agreement and MCA-Senegal and the Fiscal Agent hereby waive and release all claims related to any such liability. In matters arising under or relating to the 609(g) Agreement, the Compact or this Agreement, MCC is not subject to the jurisdiction of the courts or any other body of Senegal or any other jurisdiction.

(c) The Parties further agree that (i) MCC shall have final approval rights with respect to the terms and conditions of this Agreement, any amendments hereto, and any documents in connection with or related to this Agreement and the activities contemplated hereunder; (ii) MCC, in reserving any or all of its approval or other rights hereunder, has acted solely as a funding entity to assure the proper use of United States Government funds, and any decision by MCC to exercise or refrain from exercising any of its rights shall be made as a funding entity in the course of funding the activity and shall not be construed as making MCC a party to this Agreement; (iii) MCC may, from time to time, exercise its rights, or discuss matters related to these rights or this Agreement with the Parties jointly or separately, without thereby incurring any responsibility or liability to the Parties jointly or separately; (iv) any approval (or failure to approve) or exercise of (or failure to exercise) any rights by MCC shall not bar MCA-Senegal or MCC from asserting any right, or relieve the Fiscal Agent of any liability which the Fiscal Agent might otherwise have to MCA-Senegal or MCC (or MCC Indemnified Parties); and (v) MCC shall have the right, as set forth in this Agreement, to receive copies of reports and other documentation delivered to the Fiscal Agent, MCA-Senegal or any other governmental body or person.

(d) For the benefit of MCC, the Fiscal Agent shall comply with all of the terms of and its obligations under this Agreement and the Bank Agreement.

(e) For the avoidance of doubt, MCC shall incur no obligations or liabilities under this Agreement, whether as a result of its third-party beneficiary status or otherwise. In no event shall anything in this Agreement be construed as a waiver of immunity from, or submission by MCC to, the jurisdiction of the courts of Senegal or of any other jurisdiction, or to any other body, or to the arbitral body or any arbitration under Section 4.8.

(f) Notwithstanding Section 4.11 of this Agreement, the Parties hereby agree that the designation of MCC as third party beneficiary to this Agreement is and shall remain irrevocable, and the Parties further agree that no action is or shall be required by MCC to evidence its acceptance of such designation.

Section 4.16 Severability. If one or more provisions of this Agreement is 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 4.17 Entire Agreement. 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 4.18 Counterparts; Signatures. This Agreement may be executed in one or more counterpart signatures, and each counterpart when so executed and delivered shall be an original instrument, but such counterparts together shall constitute a single agreement. 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 4.4 shall be deemed an original signature, and the Parties hereby waive any objection to such signature or to the validity of the underlying agreement on the basis of the signature's legal effect, validity or enforceability solely because it is in facsimile or electronic form. Such signature shall be accepted by the receiving Party as an original signature and shall be binding on the Party delivering such signature.

Section 4.19 Waiver of Immunity. Each Party, as to itself and its assets, hereby irrevocably and unconditionally waives any right of immunity (sovereign or otherwise) and agrees not to claim or assert any immunity with respect to the matters covered by this Agreement or any arbitration, suit or action with respect to this Agreement, whether arising by statute or otherwise, which it may have or may subsequently acquire, including rights under the doctrines of sovereign immunity and act of state, immunity from legal process (including service of process or notice, pre-judgment or pre-award attachment, attachment in aid of execution, or otherwise), immunity from jurisdiction or judgment of any court, arbitrator or tribunal (including any objection or claim on the basis of inconvenient forum), and immunity from enforcement or execution of any award or judgment or any other remedy.

Section 4.20 Definitions. All capitalized terms used and defined herein shall have the meaning given such terms in this Agreement.

Section 4.21 Rules of Construction. 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 contracts, agreements, or other documents shall be deemed to mean such contracts, agreements or documents, as the same may be modified, supplemented, or amended from time to time;

(f) each reference to any law shall be construed as a reference to such 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 law and all protocols, codes, proclamations and ordinances issued or otherwise applicable under any such law;

(g) 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, clause, subsection, Exhibit or Schedule, or any other subdivision of this Agreement;

(h) except as otherwise expressly specified herein, any reference to an Article, Section, clause, subsection, Exhibit or Schedule shall mean an Article, Section, clause, subsection, Exhibit or Schedule of this Agreement;

(i) all references to notices, permits, licenses, consents, requests, instructions, approvals, and authorizations and any equivalent actions hereunder shall mean written notices, permits, licenses, consents, requests, instructions, approvals, and authorizations in accordance with Section 4.22;

(j) any reference to "business days" shall mean any day other than a Saturday, Sunday, commercial banking holiday in Dakar, Senegal, Hamburg, Germany or Washington, D.C., United States of America, or a national or federal holiday in Senegal, Germany or the United States of America; and any reference to "day" shall mean a calendar day; and

(k) any reference to "month," "quarter" or "year" shall have the common meaning given such terms based on a Gregorian 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.

Section 4.22 Written Consents, Approvals and Notices. Notices, permits, consents, licenses, approvals, requests, instructions and authorizations, and any equivalent actions, to be provided or made hereunder shall only be effective if done in writing.

Section 4.23 Language. This Agreement is prepared and executed in English. In the event of any ambiguity or conflict between this official English version and any other version translated into any language for the convenience of the Parties, this official English language version shall prevail.

SIGNATURE PAGE FOLLOWS ON THE NEXT PAGE

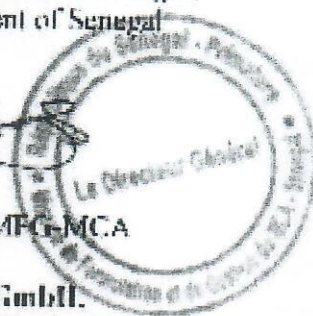
IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed by a duly authorized representative as of the day and year first written above.

**Mission de Formulation et de Gestion du
Millennium Challenge Account-Senegal,**
on behalf of the Government of Senegal

By: _____

Name: Mr. Ibrahima Dia

Title: Director General, MFC/MCA



GFA Consulting Group GmbH,
jointly and severally with Charles Kendall,
as Fiscal Agent

Charles Kendall & Partners Limited,
jointly and severally with GFA Consulting,
as Fiscal Agent

By: _____

Name: Dr. H-C Schaefer-Kehnert

Title: Managing Director

By: _____

Name: Mr. Terry Bowen

Title: Director

By: _____

Name: Dr. Susanne Pecher

Title: Regional Director

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

MCA-Senegal,
on behalf of the Government of Senegal

By: _____

Name: _____

Title: _____

Date: _____

"Disbursement" shall mean a disbursement of MCC Funding for expenditures incurred in furtherance of the Program in accordance with the 609(g) Agreement, the Compact and the Program Implementation Agreement.

"Effective Date" shall have the meaning set forth in the Preamble to this Agreement.

"FCPA" shall have the meaning set forth in Section 2.6(d).

"Fees" shall have the meaning set forth in Section 2.2(a).

"Fiscal Accountability Plan" shall mean the Fiscal Accountability Plan adopted and implemented pursuant to the Program Implementation Agreement.

"Fiscal Agent" shall have the meaning set forth in the Preamble to this Agreement.

"Fiscal Agent Losses" shall have the meaning set forth in Section 2.4(c).

"Fiscal Agent Principal Representative" shall have the meaning set forth in Section 4.6.

"General Provisions Annex" means that certain General Provisions Annex that may be found on the MCC Website at [http://www.mcc.gov/mcc/bm.doc/general_provisions.pdf].

"GFA Consulting" shall have the meaning set forth in the Preamble to this Agreement.

"Government" shall have the meaning set forth in the Preamble to this Agreement.

"Implementation Plan Documents" shall mean that set of documents, in form and substance approved by MCC, consisting of (a) the Work Plan, (b) the Detailed Financial Plan, (c) the Procurement Plan and (d) the Audit Plan, as each is defined in, and as developed, adopted and implemented in accordance with, the Program Implementation Agreement, and which term shall include the 609(g) Implementation Plan Documents (as defined in the 609(g) Agreement).

"Inspector General" shall mean the Inspector General of MCC.

"Interim Fiscal Accountability Plan" shall mean the Interim Fiscal Accountability Plan implemented in accordance with Section 2.1(b) and attached to this Agreement as Exhibit E.

"Local Account" shall mean an account in the local currency of Senegal at a bank acceptable to MCC and to which the Fiscal Agent may authorize deposits in Senegalese dollars.

"MCA-Senegal" shall have the meaning set forth in the Preamble to this Agreement and, for so long as MFG-MCA remains party to this Agreement, MCA-Senegal shall mean MFG-MCA.

"MCA-Senegal Losses" shall have the meaning set forth in Section 2.4(a).

"MCA-Senegal Principal Representative" shall have the meaning set forth in Section 4.6.

"MCC" shall have the meaning set forth in the Recitals to this Agreement.

"MCC Funding" shall mean any amount, expressed in United States Dollars, that MCC may grant to the Government pursuant to the Compact or the 609(g) Agreement to help the Government implement the Program, as more particularly defined in the Compact and the 609(g) Agreement.

"MCC Program Procurement Guidelines" shall mean the program procurement guidelines which MCC may provide to MCA-Senegal in writing or by posting on the MCC Website.

"MCC Indemnified Party" shall have the meaning set forth in Section 2.4(a).

"MCC Website" shall mean www.mcc.gov.

"MFG-MCA" shall have the meaning set forth in the Preamble to this Agreement.

"MFG-MCA Principal Representative" shall have the meaning set forth in Section 4.6.

"Party" and **"Parties"** shall have the meanings set forth in the Preamble to this Agreement.

"Paying Agent" shall mean MCC or any person or entity engaged by MCC to (a) process payments to vendors for goods, works or services received by MCA-Senegal and (b) transfer the anticipated necessary amount of funds into the Local Account to settle payments in the currency of Senegal.

"Permitted Account" shall mean one or more bank accounts established by the Government and acceptable to MCC pursuant to the terms of the Compact and the Program Implementation Agreement.

"Permitted Designee" shall mean any entity designated by the Government in accordance with the terms of the Program Implementation Agreement to oversee and manage the implementation of the Program on behalf of the Government.

"Principal Representative" and **"Principal Representatives"** shall have the meanings set forth in Section 4.6.

"Procurement Agent" shall mean an entity appointed and duly acting as the procurement agent under the terms of an agreement by and between MCA-Senegal and such entity pursuant to which such entity agrees to provide procurement services to MCA-Senegal.

"Procurement Agent Agreement" shall mean an agreement entered into by and between MCA-Senegal and the Procurement Agent pursuant to which the Procurement Agent agrees to provide procurement services to MCA-Senegal.

“Procurement Plan” shall mean the procurement plan adopted and implemented pursuant to the terms of the Program Implementation Agreement and Procurement Agent Agreement.

“Program” shall mean the program to achieve the goal and objectives of the Compact as set forth in the Compact.

“Program Assets” shall mean MCC Funding, interest accrued thereon, and any assets, goods, or property (real, tangible, or intangible) purchased or financed in whole or in part (directly or indirectly) by MCC Funding.

“Program Implementation Agreement” shall have the meaning set forth in the Recitals to this Agreement.

“Project” shall mean the projects that make up the Program as more particularly described in Annex I to the Compact.

“Records” shall mean accounting books, records, documents and other evidence relating to the 609(g) Agreement adequate to show to MCC’s satisfaction the use of all MCC Funding in accordance with Article 6 of the 609(g) Agreement.

“Rules” shall have the meaning set forth in Section 4.8(a).

“Start Date” shall have the meaning set forth in Exhibit A, Section I.A(xix)

“Successor Fiscal Agent” shall have the meaning set forth in Section 3.3(d).

“Successor Fiscal Agent Agreement” shall have the meaning set forth in Section 3.3(e).

“Supplemental Agreement” shall have the meaning set forth in the Program Implementation Agreement.

“Taxes” shall mean any taxes, duties, levies, contributions or other charges in Senegal on the Program, MCC Funding, interest or earnings on MCC Funding, any Project or activity implemented under the Program, goods, works, services and other assets and activities related to the Program or any Project, persons and entities that provide such goods, works, services and assets or perform such activities, and income, profits and payments with respect thereto.

“Term” shall have the meaning set forth in Section 3.1.

EXHIBIT E

INTERIM FISCAL ACCOUNTABILITY PLAN

MILLENNIUM CHALLENGE ACCOUNT-SENEGAL

INTERIM FISCAL ACCOUNTABILITY PLAN

Table of Contents

1.	General.....	5
1.1.	Goals, Principles, and Development of the FAP	5
1.2.	Authorized Parties.....	7
1.3.	Procurement	10
1.4.	Financial Management.....	10
2.	Multi-year Financial Plan and Detailed Financial Plans	10
2.1.	Definitions.....	10
2.2.	Budget Classification Structure	11
2.3.	Modifying Financial Plan	12
3.	Opening and Management of MCA Bank Accounts	13
3.1.	Local Bank Accounts (Permitted Accounts).....	13
3.2.	Common Payment System.....	13
3.3.	Authorized Parties.....	14
4.	Accounting	14
4.1.	Responsibilities.....	14
4.2.	Chart of Accounts	14
4.3.	Accounting System	14
4.4.	Automated Accounting System	15
4.5.	Access & Backup.....	15
5.	Cash Management	15
5.1.	Responsibilities.....	15
5.2.	Co-mingling of Funds.....	16
5.3.	Currency Conversion	16
5.4.	Working Capital.....	17
5.5.	Expiration of Spending Authority at the End of a Period.....	17
5.6.	Reinstatement of Limited Spending Authority	18
5.7.	Disbursements.....	18
6.	Procurement Process	18
6.1.	Procurement Plan	18
6.2.	Pre-Procurement Approvals.....	19
6.3.	Contracting.....	19
6.4.	Post-Procurement activities	20
6.5.	Small Purchases	20

7.	Payment Approval Process	21
7.1.	Payment Period	21
7.2.	CPS Payment Methods	22
7.3.	Receiving the invoice.....	22
7.4.	Approval/rejection within MCA	23
7.5.	Approval/rejection by the FA	24
7.6.	Invoice Rejection	25
7.7.	Payment.....	26
8.	Taxes.....	28
8.1.	General	28
8.2.	Specific Tax regulation	28
9.	Personnel and Payroll.....	28
9.1.	Personnel Management.....	28
9.2.	Payroll	29
10.	Asset Management	30
10.1.	Personal Use of MCA Assets Policy	30
10.2.	Capitalization of Fixed Assets:	30
10.3.	Maintaining the Fixed Asset Register:.....	30
10.4.	Count of the Fixed Assets:	31
10.5.	Disposal of the Fixed Assets:.....	31
10.6.	Interoffice Transfer of the Fixed Assets:	31
10.7.	End-of Compact Control of Assets	32
11.	Travel and Vehicle Use.....	32
11.1.	Travel	32
11.2.	Vehicle Use.....	34
12.	Petty Cash	34
12.1.	Set-up and limitations	34
12.2.	Operation.....	34
12.3.	Responsibilities	35
12.4.	Reports	35
12.5.	Schedule, Destination, and Publication of Reports.....	36
12.6.	Retention of Records.....	38
13.	Audits & Reporting on Misuse of MCA funds or assets	38
13.1.	Audit Plans.....	38
13.2.	Procuring Auditors.....	38
13.3.	Types of Audits and Reviews	38
13.4.	Audit Reports and Findings	39
13.5.	Steps in the Financial Audit Process.....	39
13.6.	Reporting on misuse of MCA's funds or assets.....	40

Abbreviations

Board	MCA Board of Directors
CEO	Directeur Général (Chief Executive Officer)
CIF	Compact Implementation Funding
CKP	Charles Kendall & Partners Ltd. [UK]
CPS	Common Payment System
DAF	Directeur Administratif et Financier (Chief Administrative and Financial Officer)
DCEO	Directeur Général Adjoint (Deputy Chief Executive Officer)
DFP	Detailed Financial Plan
DP	Directeur Projet (Project Manager of MCA-Senegal)
DPM	Directeur de Passation de Marché (Procurement Director of MCA)
DR	Disbursement Request
FA	Fiscal Agent
FAA	Fiscal Agent Agreement
FAM	Fiscal Agent Manager
FAP	Fiscal Accountability Plan
FSP	Financial Service Provider
GFA	GFA Consulting Group GmbH [Germany]
HR	Human Resources
HRO	Human Resources Officer of MCA
IE	Implementing Entity(ies)
MCA	Millennium Challenge Account-Senegal
MCC	Millennium Challenge Corporation [USA]
NBC	National Business Center
PA	Procurement Agent
PAA	Procurement Agent Agreement
PAM	Procurement Agent Manager
PIA	Project Implementation Agreement
PP	Procurement Plan
PRF	Payment Request Form
PRN	Procurement Requisition Notice
QFR	Quarterly Financial Report/Reporting
RC	Recipient Country
RCD	Resident Country Director
SA	MCA Senior Accountant
SAO	Senior Administration Officer
SAS	Senior Accounting Specialist
SLO	Senior Legal Officer
SPS	Senior Payment Specialist
SSA [-X]	SunSystems Accounting [-Ledger Code (A, B, C, D, or E)]
TS	Transmittal Sheet
USD	U.S. Dollars
VAT	Value Added Tax
XOF	Franc CFA

MILLENNIUM CHALLENGE ACCOUNT-SENEGAL

INTERIM FISCAL ACCOUNTABILITY PLAN

1. General

1.1. Goals, Principles, and Development of the FAP

1.1.1. Goals

This Interim Fiscal Accountability Plan ("**FAP**") shall serve as a base policy on all financial and procurement issues undertaken under the Millennium Challenge Account grant received from the Millennium Challenge Corporation ("**MCC**"). This policy was developed in accordance with the Compact Implementation Funding Agreement, the Compact, the Fiscal Agent Agreement ("**FAA**"), the Procurement Agent Agreement ("**PAA**"), Program Implementation Agreement ("**PIA**"), other Compact-related documents and requires approval by MCC. The Fiscal Accountability Plan shall be reviewed on at least a semi-annual basis and where necessary updated by mutual agreement among MCA-Senegal ("**MCA**"), the Fiscal Agent ("**FA**"), and the Procurement Agent ("**PA**"), subject to prior no-objection from MCC. All updates to the FAP shall be submitted to MCC for approval within thirty (30) calendar days after any semiannual revision. This policy applies regardless of the nature of the MCC grant, which may include grants made under 609(g) authority, grants made under 609(g) authority pursuant to a Compact (also known as Compact Implementation Funding ("**CIF**"), or the grant provided by the Compact.

The present FAP:

- Defines management procedures and modalities
- Provides a framework for common management for the financial structures of MCA
- Translates the spirit of the statements of the Compact into regulations,
- Establishes a cooperation based on trust between the central entities of MCA and the third parties operating with or for the project,
- Supports MCA in achieving the goals of the Compact,
- Ensures that the arrangements, conditions and documentation under the Compact, supplementary agreements and the MCC Cost Principles are all taken into consideration.

Based on the objectives and policy defined in the Compact, it seeks to provide users with reference tools for the principles and procedures to be followed in:

- Implementing activities financed by the MCC
- Keeping the financial and accounting records

1.1.2. Principles

Internal accounting control consists of the plan of organization, procedures, and records related to the safeguarding of assets and reliability of financial records. An effective internal control system includes the checks and balances required for the appropriate authorization and recording of transactions and ensures that access to assets is limited to authorized personnel. Each transaction should be divided into tasks which are completed in alternating order by different individuals in order to increase the chance of detecting unintentional errors and preventing fraud.

Four basic tests – completeness, validity, accuracy and maintenance – should be consistently applied to all transactions. All transactions must adhere to MCC's Cost Principles for Government Affiliates Involved in Compact Implementation as outlined on the MCC website.

1.1.3. Area of application and responsibilities

The FAP applies to all the activities financed by MCC and implemented by MCA.

Every entity operating under MCA (the management of MCA, the projects, the Fiscal Agent, the Procurement Agent, the "implementing entities", and the MCA's contractors) must follow and apply the FAP procedures. The appraisers and auditors use this document as a basis for evaluating performance and auditing MCA.

There should not at any time be any action contrary to the requirements or prohibitions in the Compact or other supplementary agreements thereto.

Written authorization from MCA is required for making the present FAP available to third parties. Capitalized terms used but not defined herein shall have the meaning given to them in the Fiscal Agent Agreement and the Procurement Agent Agreement.

1.1.4. Exceptions

Should regulation in this FAP - without previously prescribed remedies by MCC - prohibit an action that

- contributes to an activity which is planned under the Compact,
- is in the furtherance of the Compact, and
- is due to unavoidable and unexpected circumstances

the following exemption procedures may be applied:

With prior written approval by MCC's Resident Country Director ("**RCD**") (or other authorized MCC personnel), the Directeur Général ("**CEO**") together with the Directeur Administratif et Financier ("**DAF**") - alternatively the Directeur Général Adjoint ("**DCEO**") - can document in writing an exemption.

In cases where

- the Compact and its Subsequent Agreements are not violated;
- the Cost Principles are not violated;
- neither the CEO, DCEO, nor the DAF benefit from the exception; and
- the total financial effect is below USD 1,000 per case

the exemption does not require prior MCC approval, though the RCD must be furnished with a copy of the exemption.

The original signed documentation by MCA together with the approval/notification of MCC has to be filed together with the financial documentation to which it relates. Should two or more exemptions relate to the same subject area of the FAP within a 12-month period, the issue shall automatically be considered during the next review cycle of the FAP.

1.1.5. Updates

Given that the FAP is a guide for evolving activities in the field, it is likely that the rules on implementation it contains will be subject to modification. Any problem in practice with the details of the procedures must be noted in writing for review by Directeur Projet ("**DP**") as the person responsible for this area at MCA. Amendments to the basic documents of the program

or MCA (Compact and supplementary agreements) may also result in changes to the FAP procedures.

To ensure that the terms of the Compact and the supplementary agreements are complied with, proposed modifications should be made in writing and should go through a series of checks. The entity in question:

- lists the discrepancies between reality in the field and the details of the procedure, or
- lists the stages for review following signed amendments to the basic documents of the program or of MCA,
- submits the list to the entity directly above it in the hierarchy,
- suggests alternatives, with reference to the basic arrangements (Compact, supplementary agreements, legislation ...), to procedures in similar projects operating in the same area, and legal practice in the field,
- forward the list and the alternatives listed above to the CEO.

The CEO, DCEO, DAF, FA, and PA

- review the suggested modifications and comment on them in the light of the basic documents (Compact, supplementary agreements, legislation ...),
- submit the changes to MCC for approval,
- approve the new procedures,
- update the FAP and circulate the new procedures to the entities involved.

This review procedure shall be timed in such a fashion to meet the 6-monthly review and approval of the FAP timeline.

All new procedures and regulations are put into force by a memorandum from the CEO after the no-objection by MCC and approval of the FAP by the MCA-Senegal Board of Directors.

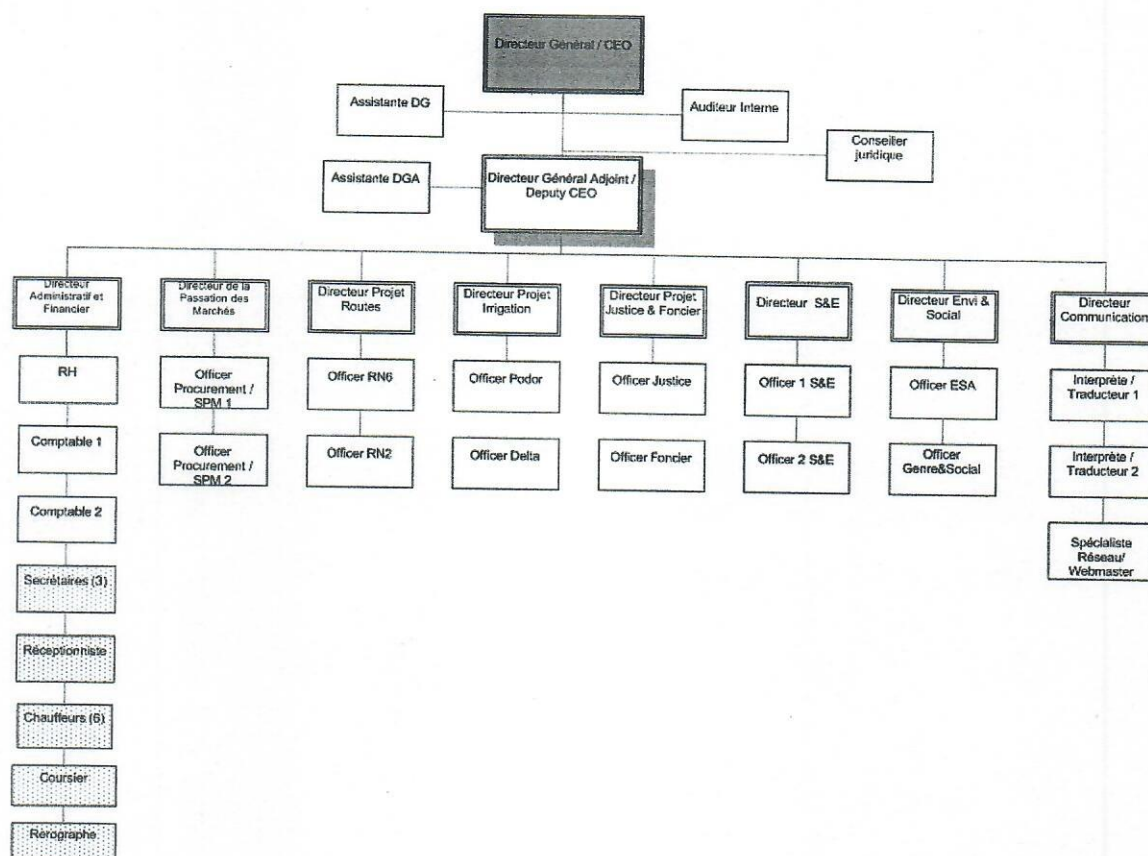
1.2. Authorized Parties

1.2.1. MCA-SENEGAL ("MCA")

The principal individuals authorized to act on procurement and financial management matters on behalf of MCA are as follows:

- The Directeur de Passation de Marché ("**DPM**") shall serve as the primary official within MCA responsible for Procurement activity and compliance with the Procurement Guidelines. In the absence of the DPM, the Procurement Officer of MCA is the primary official responsible for MCA procurement activities.
- The Directeur Administratif et Financier of MCA ("**DAF**") shall serve as the primary official within MCA responsible for financial management activities and compliance with this Fiscal Accountability Plan and the Agreements mentioned herein. In the absence of the DAF, the Senior Accountant, or the Senior Administration Officer are the primary officials responsible for MCA financial and administration activities.

MCA's internal structure can be depicted as follows:



1.2.2. PROCUREMENT AGENT

The principal individuals authorized to act on behalf of the Procurement Agent ("PA") on all matters related to exercising the Agent functions according to the Procurement Agent Agreements and in compliance with this Fiscal Accountability Plan and the Agreements mentioned herein are:

- Procurement Agent Manager
- Senior Procurement Specialist

The PA's internal structure can be depicted as follows:

7.2. CPS Payment Methods

7.2.1. CPS transfer of funds from the U.S. Treasury to MCA-Senegal's Local Permitted Account Using the Project and Activity Codes of "N/A, N/A"

These funds will be unallocated until they are accounted for by Project and Activity in the subsequent QFR, Schedule C, Column 1a (Local Payments) and will be re-disbursed to vendors by check or wire by the FA. They will reside in the Local Permitted Account and used for the following reason:

- One month of travel advances
- One month of petty cash needs
- One month of cash needs for re-disbursements to vendors without a bank account and for which there is an immediate need to pay
- Other situations mutually agreed to by MCA-Senegal, the Fiscal Agent, and MCC Financial Management.

7.2.2. CPS Direct Payment using MCA-Senegal's Local Permitted Account Banking information, and coding to the relevant Project and Activity codes

These funds will be received into the Local Permitted Bank Account, but will be allocated to the appropriate Fund/Project/Activity on the Payment Request Form. They will be requested when there is a valid invoice with the Fiscal Agent, and the exact amount to be paid is certain.

The Fiscal Agent will list the appropriate invoice amount on the Payment Request Form and list the Local Permitted Bank Account information for each invoice. All funds will then be received into the Local Permitted Account and then redispursed by the Fiscal Agent.

This method of payment will be most appropriate for vendors that the Fiscal Agent needs to pay via check or for vendors with no bank account.

7.2.3. CPS Direct Payment using vendor's banking information

Direct Payments to the vendors will be made by the U.S. Treasury within five (5) working days of receipt of PRF. This is the traditional CPS payment method described in the CPS Manual. The Fiscal Agent will submit a Payment Request Form listing each invoice, vendor, vendor banking information, and the MCC Project Codes (Fund/Project/Activity).

7.3. Receiving the invoice

Invoicing instructions to vendors shall indicate that they are to present invoices directly to the FA, with a copy to the DP. The FA will - stamp the invoice as "verified" and make the initial verification, register invoices in a log book and transmit the invoice to Chief Financial Officer. The invoice must be accompanied by a copy of the acceptance note for the goods, works, or services provided; otherwise the FA will return the invoice unprocessed to the vendor. Each invoice is required to be date-stamped upon its receipt by the FA. If the invoice is presented first to MCA it shall date-stamp the invoice and transfer it to the FA on the same business day. The FA is required to enter the first date stamped on the invoice ("**Payment Period Start Date**") into a tracking system in order to ensure tracking of compliance with the Payment Period. Failure of the FA to correctly date stamp the invoice will result in using the date of the invoice as the Payment-Period Start Date. In no case can the Payment-Period Start Date though precede the date of the acceptance of the goods, works, or services provided.

A preliminary review of the invoice submitted the SPS shall verify that the following elements are present:

- Invoice date (the date the invoice was issued by the vendor)
- Name of vendor
- Address (and if available telephone number) of the vendor
- In-country Tax ID number (where applicable)
- Invoice number
- Shipping (where applicable) and payment terms
- Contract number (where applicable)
- Description of goods/services purchased
- Quantity of goods/services received
- Sub-total due
- Taxes applied
- Total amount and currency
- Numerical correctness (multiplication of quantities and sum of positions) of the invoice.

Invoices, which are missing applicable elements from the list above, shall be returned by the FA to the vendor for completion/correction and re-submission.

Furthermore, the SPS shall check

- the availability of budgetary funds for the invoice if the budget line from which the invoice will be paid is known at this stage
- if pre- or advance payments exist which have to be deducted from the payable amount
- if a corresponding commitment in SSA-C exists, make an offsetting entry.

After registration of the invoice in SSA-D, the FA shall relay the original of the invoice with a covering transmittal slip ("TS") indicating the date when the payment period ends to the DAF who will submit it to the DP to certify for payment and request authorization and necessary documentation for that particular invoice. Any copies or duplicate originals of the invoice provided shall be clearly marked as "COPY". It is the obligation of MCA to return the authorized invoice including the required set of documentation and the Payment Authorization Form with proper MCA authorizations including correctly recorded accounting codes to the FA no later than ten (10) calendar days before the end of the Payment Period to provide sufficient time for the FA to validate the invoice and ensure timely payment.

7.4. Approval/rejection within MCA

7.4.1. General process

The DP shall assemble all necessary documentation (such as receiving and inspection reports) to support the payment – or in the case of a rejection, the non-payment – of the invoice. Unless the invoice is rejected, the DP confirms with signature, initials, and date on the invoice that:

- the goods/works/services invoiced were necessary for the benefit of the MCC-funded program,
- the budget allocation and other transaction codes (such as source of funds or region) are correct, and
- all regulation by MCA, MCC, and this FAP applicable to the invoice have been adhered to.

In case the invoice is rejected, the DP states, signs, and dates the reason for the rejection on a cover letter. The invoice and documentation is then forwarded to the DAF.

The DAF shall check the set of documentation and if in agreement confirms the abovementioned statements/rejection via signature and date on the invoice. Signatures on the

invoice must correspond to the signature schedule (see Annex II) for the document to be validly authorized.

7.4.2. Specific Regulation on Hosting and Public Outreach Events

Grant Funds may be used to host official Public Outreach Events, receptions, lunches, dinners, and similar events, and to otherwise extend official courtesies to the stakeholders of MCA. Generally, such events may include:

- Official Receptions
- Official Ceremonies
- Food, non alcoholic beverages, and associated expenses for Office events
- High level meetings as needed in furtherance of the Compact
- Events associated with the Public in furtherance of the Compact
- Events associated with the Media in furtherance of the Compact
- Any similar activity deemed necessary by the CEO and in the best interest of the Program implementation

The use of the funds shall be monitored closely to ensure that expenditures made for official events are consistent with the policy objectives of the Compact, are within amounts clearly budgeted for these purposes in the DFP, and are not prohibited by any other law, rule or regulation.

Grant funds shall only be used for official events and MCA participants shall not be used to pay for the cost of meals or refreshments for MCA staff in connection with routine working meetings. Grant funds shall not be used to pay for purely social events intended primarily for the entertainment or benefit of MCA-Country officials and employees, their families, or personal guests. MCC Funds cannot be used to purchase alcoholic beverages.

The CEO shall approve functions in advance. Requests for approval must be submitted prior to the proposed expense and include written justification describing the proposed event and the amount of funds required for stated purposes. In certain circumstances, oral authorizations by the CEO are permitted to initiate event planning but must be supplemented by a written approval request in order to incur valid expenses. The DAF and the FA are responsible for ensuring that this documentation is complete, with all proper approvals, prior to any disbursement for these purposes. The CEO may delegate authority to approve total expenditures per event not to exceed the equivalent of XOF 500,000 to the CEO or DCEO/DAF. Costs shall be limited to the equivalent of XOF 20,000 per person unless specifically addressed. An annual ceiling for use of funds for these purposes should be shown in the DFP and should be limited to a reasonable level.

The DCEO/DAF shall budget and account for resources necessary to support Public Outreach events. The DCEO/DAF shall also ensure that each event is properly documented. Records on the use of grant funds for these events shall be maintained on a function-by-function basis to provide financial documentation. The FA shall hold in addition documentation on the purpose for which funds were used including the location of the event, the Public Outreach request which contains the prior approvals provided for the expense, the method of payment used for each receipt, and the names, titles, and organizations of the persons attending.

7.5. Approval/rejection by the FA

The FA shall check and by signature confirm that the invoice complies with the contract terms, fee schedule, and deliverables. The SPS also shall check the completeness of the provided documentation on its face, as well as its compliance with all relevant conditions and all

approvals required in the Compact and other relevant supplemental agreements. Specifically, the SPS shall check that

- the invoice has been approved by MCA personnel authorized to approve this specific invoice with regard to amount and budgetary coding
- the budget and other codes have been confirmed by the authorized signatories within MCA; if the budget code has been provided or altered by MCA, the SPS shall also confirm that sufficient budgetary funds exist (see below on handling of invoices which exceed the available budget). This includes determination as to whether sufficient quarterly spending authority, provided by the Disbursement Request form and Column six of the Detailed Financial Plan-Cash, exists at the Activity level for the payment in question.
- the invoice does not list items that may not be purchased with MCC funds as per compact and Supplemental Agreements
- the full necessary supplementary documentation is available
- the payee is not mentioned on one of the excluded parties' lists prescribed for review by MCC (see <http://www.mcc.gov/documents/mcc-ppg-eligibilityverification.pdf>). Then check if these lists must be confirmed via a printout of two key lists and a statement that the others have been checked as well or via a printout of a MCC-approved meta-list such as World-Check®. The check must be completed irrespective of amount, payee, or frequency of payment. For recipient of recurring payments, the FA may establish a procedure that provides near-constant review of the recipients against changes in the excluded parties' lists. In the case of any deviations or discrepancies, the FA shall issue to the DP and DAF an exceptions report describing such deviations or discrepancies, with a copy to the MCC Resident Country Director.

If there are any discrepancies or the invoice has errors not previously noted by MCA, the FA shall notify the DP as appropriate and the vendor that the invoice is being rejected (see 7.6).

If an invoice is submitted whose payment would exceed the available budget but is otherwise acceptable, the DP will undertake any reasonable effort to have the invoice cancelled and the goods returned to the vendor. Otherwise, and if payment cannot be delayed until the required steps are completed to sufficiently adjust the budget line in question, the CEO, DAF, and the DP shall provide the FA with a written Excess Confirmation. This Excess Confirmation shall indicate that the signatories are aware of the budget excess and that they will undertake all efforts to initiate the required steps to adjust the budget line in question to cover the excess. The FA shall provide a copy of the Excess Confirmation to MCC's RCD and pay the invoice.

The FA then signs the TS, attesting that the set of documentation is in order to the FA's best knowledge and belief. The FA shall retain the original set of approved documentation.

The FA shall make a corresponding entry in the accounting system and maintain the records. Any penalty imposed due to late payment is borne by whichever party – MCC, MCA, FA, or PA – is responsible, and is subject to the terms of the Compact, any supplemental agreements, and terms of the contracting document.

7.6. Invoice Rejection

An invoice is not considered to be valid unless it includes all required approvals and supporting documentation from the relevant parties at MCA-Senegal. If an invoice is rejected after submission to the FA as a valid invoice, the 30-day payment deadline stops and does not begin until a valid invoice is presented. Rejection of an invoice shall be done in a fair and transparent manner, in conjunction with the DP and may be subject to review by the DAF. Examples of fair and transparent rejection include but are not limited to

- invoices which fail to provide all relevant information such as invoice recipient, vendor information, type and quantity of goods/services/works provided,
- invoices which are numerically incorrect, or
- rejecting an invoice presented by a supplier for payment for goods, works, and services which has not been received or which does not meet the standards, specifications, or deliverables agreed upon in a contracting document.

The FA is required to notify the vendor of the rejection of the invoice no later than 7 calendar days after such determination is made. The vendor shall be notified of the reasons for the rejection and how to cure the deficiency, if applicable.

7.7. Payment

7.7.1. Determining Payment Method

The following payment methods may be used:

- Cash payments: For payments where the recipient of the funds has no bank account or where due to the specific circumstances a non-cash payment is not practical. In no case shall the payment exceed the amount specified in section 12.1.
- Cheque payments drawn on a Local Account: For payments where the recipient of the funds has no bank account or where the recipient has a legitimate reason to have fast access to cash (e.g. a staff member receiving a travel advance).
- Cheque payments drawn on the US Treasury (via CPS): This method shall not be used.
- Bank transfer from Local Account: a) For all payments where the vendor has a bank account; b) For all payments to MCA-staff; c) For all payments where the vendor has a bank account but where the account cannot be credited via international bank transfers.
- Bank transfer via CPS: For all other payments.
- Credit or debit cards which debit the Permitted Accounts may not be issued.

7.7.2. Common Payment System (CPS)

The Common Payment System ("**CPS**") is a mechanism for the movement of Compact funds for direct payment to a beneficiary for a valid, approved level of services, goods or works delivered. The CPS system requires all pertinent parties to a payment at the MCA level to be:

- Identified via delegations of authority outlined in this FAP which include the roles and responsibilities of each individual i.e., FA, DAF, etc.
- Signatory to the CPS paperwork, which includes a signature card required by the National Business Center ("**NBC**") and an affirmation and signature to the 'Rules of Behavior' listing provided by the US Department of the Treasury. All signature cards with original signatures must be mailed to the Fiscal Director at MCC for formal transmission to NBC through the MCC Division of Finance.
- Available to receive confirming payment reports by NBC.
- Aware of all methods to make inquiry into payments processed.
- Knowledgeable of the operations manual provided by MCC

The CPS is designed to adhere to the approved and formal MCC process incorporated in the Quarterly Financial Reporting (QFR, see section 13.2.2). CPS will mirror image the Compact's multi-year plan major program/project level with a Program/Project Code assigned to each program/project level. The FA depicts these summary level program/project budget lines and notes the Program/Project Code assigned by NBC. In addition, NBC provides a Country Code, which will remain constant for the duration of the Compact. Both of these codes – the Country

Code and the Program/Project Code – are important for each payment request. As identified on the “**Payment Request Form**”, these codes must be used for each payment request and enable the MCC to update each payment against the major project area. Memorializing of each payment using these codes becomes the historical payment information embedded in the MCC reports and will be used to respond to any official internal or external call of financial reporting.

Each QFR process contains the Detailed Financial Plan (“**DFP**”) with both the Cash and the Commitment section. The Cash section of the report is the genesis of establishing the quarterly spending authority.

As each QFR is approved, the ceiling amount by major Project and Activity will be tracked as ‘Not to Exceed’ Budget Authority. This Budget Authority for each Project and Activity will expire at the end of 90 days or on the first day of the month of the new quarter. There is a narrow allocation of emergency ceiling in the amount of USD 500,000 (USD 100,000 during pre-Compact-periods) which will be considered similar to working capital and available only for those valid invoices that arrive into the MCA after the quarterly budget authority has expired, yet the services or goods were approved through the prior QFR process and delivered within the quarterly time frame. Typical examples of this occurrence are salaries, rents, or utility payments. For Senegal CPS codes see Annex IV.

A one -time “**Special Payment Request Form**” must be utilized if:

- a) Upon occasions where goods or services, which were approved in the QFR, and are delayed in delivery and/or the presentation of invoice falls into the next quarterly time frame, a one- time ‘Special Payment Request Form’ must be utilized if the payment of this invoice falls above the working capital threshold of USD 500,000
- b) an invoice comes in during the current quarter for an activity which had been foreseen in the last quarter, the current quarter’s QFR is not yet approved by MCC and the funds requested do not exceed USD 500,000.

The use of the Special Payment Request Form must also be approved by the MCC RCD, thereby increasing the spending allowance to incorporate this amount and performing the payment process to the beneficiary.

The amount residing in the local accounts should be a very minimal level and should only support the MCA’s immediate cash needs.

7.7.3. Common Payment System (CPS) Process

Processing payments through CPS will add five business days from the time the FA transmits the payment request to CPS to the time payment instructions are being issued. As per the Fiscal Agent Agreement, this requires that invoice approval by the relevant contract DP, subsequent approval by MCA, and creation of a Payment Request Form (“**PRF**”) by the FA must occur within twenty-four (24) calendar days after the Payment-period Start Date. CPS performs payment delivery within another five to seven business days. For most countries, the payment system should not exceed this time frame.

The FA must follow these procedures when using CPS:

- Prepare the payment form for approval using the authority delegation matrix
- Enter payment data in CPS using MCC-provided accounting string data on the PRF.
- Ensure the PRF is signed by two FA staff who are authorized signatories to the CPS.
- Prepare, scan and submit PRF to MCC’s Financial Services Provider (NBC) at MCC_CPS_NBCDenver@NBC.GOV certifying that listed payments are:
 - a. Authentic
 - b. Within the approved budget and QFR report for the period

- c. Within the approved Procurement Plan for the period
 - d. Comply with the Compact and the Compact Implementation Letter Agreement
 - e. Comply with any other relevant Implementation or Supplemental Agreement
 - f. Have been checked to ensure that beneficiaries of the funds are not on the excluded parties list of the U.S. Treasury and United Nations.
 - g. Comply with the Contract or Purchase Order
 - h. Invoices and/or receipts have been retained and filed
 - i. Comply with the FAP
 - Confirm payments using the MCC Detailed Payment Report issued by MCC's FSP and ITS reports
 - Reconciles MCA accounting system to the MCC Core Financial System.
 - Resolves payment issues directly with NBC using a standardized inquiry process.
- The FA shall periodically check the status of the payment request through the web-based system and/or through the return payment confirmation process performed by NBC via email

7.7.4. Payment via transfer/cheque or in cash

In the case of payments being made via the *Permitted Account*, the FA either issues a cheque and informs the vendor that it is ready for collection, or creates and sends a transfer order to the Bank. Both payment methods require two (where appropriate electronic) signatures by the authorized FA staff. The FA shall subsequently confirm that the transaction was completed through its regular account monitoring procedures.

In exceptional cases and within the limits stipulated (see section 12) the payment may be made from MCA's petty cash, in which case the FA informs the vendor that the amount is available for collection and provides the amount against receipt by an authorized representative of the vendor.

8. Taxes

8.1. General

The Compact requires that MCC Funding shall be exempt from any taxes. In accordance with the Compact and other relevant supplemental agreements, the FA maintains a system to track all tax exemptions, taxes assessed and paid, and tax reimbursements by the Government. The FA must notify MCA and MCC of any failure by the Government to timely administer such tax exemptions or promptly reimburse such taxes. A tax reimbursement shall be considered overdue if it is not reimbursed within thirty (30) calendar days, or as otherwise specified by national law.

8.2. Specific Tax regulation

To be completed in accordance with country-specific regulation.
The SLO coordinates all tax issues on behalf of MCA.

9. Personnel and Payroll

9.1. Personnel Management

Employees of MCA shall be employed through employment agreements approved by MCC. The employment agreements may contain certain suitable provisions from the national civil service commission or equivalent as long as this does not contravene any provisions of the Compact

and Supplemental Agreements and this Fiscal accountability Plan. All employees must have a signed employment agreement.

The employment agreements shall identify the person hired, the date of hire, the terms of hiring including duration, salary, benefits and any other rights and responsibilities under the agreement, and shall be signed by the appropriate persons.

All personnel actions shall be approved by the CEO. Any action regarding the employment or termination of employment of the CEO of MCA must be approved by MCC in advance.

A written policy on overtime and leave shall be established by MCA and made available to the FA. Employees holding positions below professional level shall be entitled to compensation for additional hours to the normal hours of work. On any normal work-day overtime shall be paid at a rate of one quarter times the employee's wages for a normal work day, on Sundays and holidays at twice the rate, and on Saturdays at one and half rate. Any overtime must be approved by the staff member's DP in advance and excessive overtime investigated.

Unauthorized absence must be explained and shall be dealt with in accordance with MCA Rules & Regulations.

9.2. Payroll

9.3. Timesheets

All staff, regardless of position, are required to complete and sign accurate records of time worked on a monthly basis ("**Timesheets**"). Timesheets appropriately authorized (signed) by the staff member's direct supervisor (i.e. DP, CEO, DAF) shall be submitted to the Human Resources Officer ("**HRO**") no later than ten working days after the end of each month. In case of travel or vacation, this period is extended until two working days after the end of the travel/leave.

Staff members, whose work is based on less than monthly wages (e.g. by hour or day), must submit by the 15th of each month their Timesheets, which shall cover the period from the end of the previous Timesheet until the last workday before the 15th of each month.

The HRO shall check if the staff member was absent from the office due to an unreasonable excuse and ensure that timesheets are submitted properly prepared and authorized. The number of unpaid leave days shall be clearly stated in order to deduct daily salary of those days from the total monthly salary. The HRO shall sign the timesheets certifying the accuracy of the reported information and submits them to the Finance Section.

9.3.1. Payroll calculation

The Finance Accounts Officer calculates until the 20th of each month a payroll request separately for each staff member. The payment amounts are determined as follows:

- Staff members whose contracts are based on less than monthly wages: salary as calculated from the last submitted Timesheets.
- Staff members whose contracts are based on monthly wages and who continue to be employed for at least one more month: monthly salary including any applicable bonus and adjusted by any deviation calculated from last month's Timesheets
- All other staff members: Salary calculation is only made when the authorized Timesheets for the previous period are available. Payroll calculations are to be adjusted for any deviations.

The payroll requests in respect of all staff members are aggregated by the Accounts Officer into a **Summary Payroll Sheet**. The sheet is thereafter presented to the Senior Accountant who

confirms via signature, the correctness of the calculation and compliance of the payroll with the monthly budget. The documentation is then submitted to the DAF for approval by his office and the office of the CEO. The approved documentation is then sent to the Fiscal Agent.

9.3.2. Review and payment by Fiscal Agent

Before payment is made, the approved payroll is checked by the FA against the available budget and the corresponding entries made into the system. The FA prepares payment orders. Firstly, the request is made to MCC for disbursement for salaries payment (the PRF must be submitted not later than the 6th). Secondly the instruction is made to the Bank, to transfer salaries to the individual staff accounts as well as related payroll taxes to the Government. The activity should be completed no later than the 16th. All payments in relation to payroll shall be made no later than the last day of the month.

Once the payment confirmation is received from the Bank, the FA shall make the corresponding entries of the payroll payment into the accounting system..

10. Asset Management

10.1. Personal Use of MCA Assets Policy

Assets acquired with MCC Grant funds shall only be used in furtherance of the Grant objectives and shall not be made available for the personal benefit of an employee or consultant. . Clear exemptions to be outlined and added in here – e.g funerals, taking sick employees home etc. (CEO will approve based on circumstances outlined).

- Communications devices (cell phones, pagers),
- Computers,
- Copiers and fax machines, etc.

All vehicles are subject to MCC's Branding Policy as outlined on the MCC website unless a written exemption is obtained by MCC

10.2. Capitalization of Fixed Assets:

Fixed Assets are defined as assets with useful life of more than one year and that value more than XOF 200,000. All Fixed Assets are expensed at cost upon the date they are put in service, but tracked on the Fixed Asset Register throughout their useful life. The Senior Administration Officer will ensure that all Fixed Assets purchased by MCA are labeled with a unique identification code and will transmit the code together with the supporting documentation, through the DAF, to the FA for recording in the Fixed Asset Register. Based on the information contained in the Purchase Request, Invoice and Acceptance Note the FA shall record the fixed asset by using an appropriate entry in the Fixed Asset Register.

In case the fixed asset is assigned to a certain employee a memo stating the description and the unique identification code should be signed by the employee assuming the responsibility over an asset. The memo should be submitted to the FA.

10.3. Maintaining the Fixed Asset Register:

The **Fixed Asset Register** shall be integrated in the accounting system, and maintained by the FA. The **Fixed Asset Card** shall be part of **Fixed Asset Register** and shall be prepared in a consistent format. Financial Information in the **Fixed Asset Card** shall be recorded in both USD and local currency and shall include the cost.

The **Fixed Asset Card** shall include the following information:

- Unique identification code (which shall also be identified on the asset itself)
- Short description
- Date of purchase
- Value at date of purchase
- Assigned employee
- History of movement of an asset

10.4. Count of the Fixed Assets:

Regular inspection and physical counting of all assets shall take place (at a minimum, annually) by at least two independent counters selected by the DAF and the CEO. The DAF or CEO shall prepare and sign an internal order stating the designated authorities making the physical count and the timing.

The results of the count shall be checked against the Fixed Asset Register provided by the FA.

A memo shall be prepared describing the results of the physical count and the reconciliation with the accounting records. In the case of a discrepancy, the memo shall state the reasons identified during the count and the appropriate adjustments to be made.

Any adjustments to the accounting records that are necessary as a result of the count shall be approved in advance by the DAF or CEO.

10.5. Disposal of the Fixed Assets:

When a Fixed Asset is damaged or becomes obsolete the employee responsible for the use of the asset shall fill out the **Fixed Asset Disposal Form**. This form shall contain the unique identification number, description of the asset, the physical condition, and reasons for disposal of the asset. The DAF and the relevant staff member shall inspect the asset together and sign the **Fixed Asset Disposal Form** if they believe an asset has no value.

Disposal of Fixed Assets, whether or not they are judged to have value, should be made by public auction. Any item remaining after public auction should be treated as waste. No employee or immediate family member of an employee may take possession of a Fixed Asset in the process of disposal. (to seek clarification from John)

If the Fixed Asset is stolen, a memo shall be written by the person to whom the fixed asset is assigned or the relevant staff member describing the circumstances under which an asset was stolen. An incident shall be reported to the police and the corresponding report shall be kept in the file.

In all cases the **Fixed Asset Disposal Form** shall be filled out, approved by the DAF and submitted to the FA. The FA shall make a corresponding entry in the accounting system based on the approved form and remove the asset from the **Fixed Asset Register**.

10.6. Interoffice Transfer of the Fixed Assets:

Fixed assets that are assigned to the employees may be re-assigned to another employee of the organization. An employee shall prepare a **memo** stating the description and unique identification number of the fixed asset signed by the previous responsible employee and the employee who shall assume the responsibility of the asset. A signed **memo** shall be submitted to the FA to record changes of the responsible person in the corresponding **Fixed Asset Card**.

10.7. End-of Compact Control of Assets

Any fixed assets remaining at the end of the Compact Period will remain the responsibility of MCA. If these assets are utilized and thus under control of an Implementing Entity, documentation must be specifically initiated to hand-over these fixed assets with specific instructions of accountability and maintenance of such assets consistent with the Compact directives.

11. Travel and Vehicle Use

11.1. Travel

MCA-Senegal shall use the *MCA Travel and Subsistence Allowance Policy* as its Official Travel Policy:

Travel shall only take place in furtherance of Compact objectives and shall not be used for the personal benefit of any employee or individual. All travelers irrespective of rank must adhere uniformly to the following guidelines.

11.1.1. Travel Approval

Staff members must submit a Travel Authorization Form detailing the reason for travel, the detail budget, and any travel advances required for the proposed travel to the CEO. The traveler shall obtain the CEO's approval two weeks prior to commencing travel whenever possible. If the proposed travel is approved, the CEO forwards the countersigned Form at a minimum three business days before any advance is to be transferred to the DAF, who will submit the approval to the Senior Administration Officer and the Senior Accountant to make appropriate travel arrangements. The Senior Accountant will submit a filled authorization form to be signed in accordance within set limits. Thereafter the authorized form will be submitted by the Senior Accountant to the FA with a minimum of three business days before any advance is to be made available to serve as authorization for the travel and advance.

11.1.2. Travel Advances and accounting

Authorized travel advances will be made by direct transfer or crossed cheque. Only in exceptional cases which are to be approved by the DAF either

- a) a cheque which is not crossed may be issued so that it will be readily available for encashment. The cheque will be picked up from FA's office and acknowledged by the traveler. If the traveler is not available an authorization letter from the traveler countersigned by the Directeur Projet is required; or
- b) Petty Cash fund may be used.

A corresponding entry is to be made into the accounting system, which allows the tracking of advances paid and when they must be accounted for. Travel costs including any advance must be accounted for no later than ten working days after return to the workplace. With the exception of per diems, all expenses must be documented and the documents (such as air tickets, boarding passes, and hotel bills) must be submitted to support a claim for reimbursement of travel expenses. Where in exceptional cases no document exists or was lost, the traveler must provide a substitute receipt stating the reason for the lack of an original document, which must be countersigned by the traveler's superior.

It is the responsibility of the employee to prepare the following and the Directeur Projet must ensure that this is done:

- a) Prepare Cash Advance Liquidation Report after the trip detailing expenses incurred during the travel
- b) Paste and attach all hotel bills and receipts, copy of air ticket, boarding pass, stubs in an orderly manner on plain bond paper to avoid loss or misplacement of receipts
- c) Submit to DP the above listed documents for approval
- d) Submit to SA for checking
- e) Submit to DAF for final approval

The DAF will submit the whole package of the cash advance liquidation report to FA for processing. The FA will check the accuracy of the liquidation report then reverse/clear advance in the accounting system. If the expense is more than the requested cash advance, the FA will deposit the additional payment to the traveler bank account. In case, the cash advance is more than the expenses, the traveler will deposit the excess funds to MCA bank account and attach copy of deposit slip to the cash advance liquidation report for FA reference.

Unless specific written approval by the CEO is provided, the FA shall reject advance request if a prior advance has not been accounted for. Under no circumstances will an advance be provided to a traveler that has not reconciled two or more separate travel advances. The FA shall notify MCC in writing of any exception to the MCA Travel Policy. Travel advance cheques not collected within thirty days will be automatically cancelled by the FA.

11.1.3. Allowable travel expenses

While with the following exceptions all **means of transport** can be utilized, travelers shall aim to always seek the most cost-efficient means of transport. The use of personal vehicles must be specifically approved by the CEO and will be compensated at a rate to be determined and approved by the Board from time to time.

Miscellaneous expenditures (such as internet usage, business use-only telephone costs, visa, passport, etc) are reimbursable if they are documented and necessary to achieve the specific travel purpose.

11.1.4. International Travel

<To be defined>

11.1.5. Air Travel

<To be defined>

11.1.6. Per diem rates

Staff shall be entitled to per diem or subsistence allowances for official trips, at the rates that are indicated in the Travel and Subsistence Allowance Policy. The use of the rates reflected in the Travel and Subsistence policy will be applicable with effect from the date of the policy being approved. In the meantime MCA will use the Government of Senegal rates.

Where a comprehensive revision of the subsistence allowance and mileage claim rates may become necessary, the Directeur General will make recommendations for the revised rates to be approved by the Board.

Replenishment of the fund should be established so that the fund will never fall below a minimum operational level. The minimum level should be set to provide sufficient cash to meet the typical needs for petty cash on any given day. Restoring the petty cash fund to its Ceiling Amount will only be made with the presentation of the petty cash form supported by valid documentation of receipts, and each entry posted to a petty cash journal designed specifically for the MCA petty cash fund and submitted to the DAF. On a fortnightly basis, the MCA fund shall be physically examined by the Senior Accountant for audit purposes. The physical examination of the funds for PIU's and IE's will be done by the Senior Accountant on a monthly basis. The fund should also have unannounced spot checks for audit purposes. The results of the petty cash audit review should be signed by the reviewer and the Accounts officer and forwarded to the DAF. Any discrepancy in the petty cash fund must immediately be brought to the attention of the DAF.

On a monthly basis the FA should reconcile the petty cash held plus vouchers to the records maintained by the FA's office. Any discrepancies should be resolved with the DAF and the Senior Accountant.

13. Reporting

13.1. Responsibilities

The FA shall produce monthly, quarterly, annual reports, and ad-hoc for the use of MCA and MCC. MCA together with the FA shall develop an internal procedure that specifies what financial or non-financial information shall be disclosed to the legislature and/or general public. Quarterly Financial Reports may also be required for funding under 609g and Compact Implementation Funding (CIF).

The Bank shall provide the following monthly reports to MCA and the FA:

- Cash balance of the Permitted Bank Account(s)
- A transaction report

The **International Treasury System (ITS)** shall provide access to the following daily and monthly reports to MCA and the FA:

- Payment Report
- Reject Report

The **MCC Financial Services Provider** will provide the following reports to MCA and the FA:

- US Treasury GOLs Report that details each ITS transaction payment settlement (on a monthly and weekly basis)
- MCC accounting reports breaking down expenditures by Project/Activity

13.2. Reports

The FA shall provide the following reports to MCA:

13.2.1. Monthly Reports

- An Income and Expense Statement for the completed month and year-to-date ("YTD");
- Cash Flow Statement;
- Certification of reconciliation between MCA accounting records and the bank statement;
- Certification of reconciliation between MCA accounting records and ITS;

- Certification of reconciliation between MCA accounting records and MCC accounting records;
- Project to date payments to a single vendor regardless of Contract, project, activity or Directeur Projet;
- Tracking report on compliance with the requirement that payments to suppliers/providers be made within thirty (30) calendar days. Notes should be provided for any deviations.

13.2.2. Quarterly Reports

- Quarterly Financial Reports, including the status of funds report.
- Detailed Financial Plan
- Assist MCA with the data available to the Fiscal Agent in the creation of the Budget execution report of the National Budget of Senegal to monitor Government spending on MCA targeted activities.
- Performance Report detailing the tasks performed by the Fiscal Agent during the quarter (see Fiscal Agent Agreement)

13.2.3. Semi-annual Reports

- Fund Accountability Statement for the six-month period ending June 30 and December 31.

13.2.4. Annual Reports

- The Annual Performance Report is provided thirty (30) days after the end of the contract year.

13.2.5. Termination Reports

Termination reports shall reflect compliance with all Agreements involving MCC and MCA at the termination of the Compact, or other prescribed termination. The reports reflect termination of all contractual relationships (including vendors and employment), liquidation of payment obligations, and satisfaction of all other financial liabilities including return of funds to MCC. Termination reports shall include the Program Completion Report (PCR) that shall replace the Annual Performance Report for Quarter 20 and all standard reports, and any additional reports requested by Implementing Agents, Procurements Agents, MCA, MCC and the Office of Inspector General of MCC.

13.2.6. Special Reports

The FA shall provide as necessary other special reports requested by MCA.

13.3. Schedule, Destination, and Publication of Reports

Report	Report Responsibility	Submission Date	Report Recipient	Publication
Monthly Reports				
Income & Expense Statement	Fiscal Agent	14 calendar days after month-end	MCA	No

Cash Flow Statement	Fiscal Agent	14 calendar days after month-end	MCA	No
Bank Reconciliation	Fiscal Agent	14 calendar days after month-end	MCA	No
CPS Reconciliation	Fiscal Agent	14 calendar days after month-end	MCA	No
MCC Reconciliation	Fiscal Agent	14 calendar days after month-end	MCA	No
Budget Execution Report	Fiscal Agent	14 calendar days after month-end	MCA	No
Vendor Report	Fiscal Agent	14 calendar days after month-end	MCA & MCC	No
Prompt Payment Report	Fiscal Agent	14 calendar days after month-end	MCA	No
Bank Cash Balance	Bank	5 calendar days after month-end	Fiscal Agent	No
Transaction Report	Bank	5 calendar days after month-end	Fiscal Agent	No
US Treasury Report	MCC Financial Service Provider	5 calendar days after month-end	MCA & Fiscal Agent	No
MCC Accounting Report	MCC Financial Service Provider	5 calendar days after month-end	MCA & Fiscal Agent	No
Quarterly Reports				
Quarterly Financial Report	MCA with FA Assistance	20 calendar days before beginning of next quarter	MCA-Board & MCC	Yes
Detailed Financial Plan	MCA with FA Assistance	20 calendar days before beginning of next quarter	MCA-Board & MCC	No
National Budget Execution Report	MCA with FA Assistance	45 calendar days after quarter-end	MCC	No
Performance Report	Fiscal Agent	14 calendar days after quarter-end	MCA & MCC	No
Semi-annual Reports				
Fund Accountability Statement	Fiscal Agent	14 July & 14 January for previous semester	MCA & MCC	No
Annual Reports				
Annual Performance Report	Fiscal Agent	30 calendar days after end of contract year	MCA & MCC	No

Within the prescribed number of days after each fiscal period the financial reports for that period shall be published on MCA's website or otherwise made publicly available.

13.4. Retention of Records

The FA shall retain the electronic and paper records of all transactions of the project. Records subject to this policy include all paper and electronic documents, and pertain to any activity of the FA conducted under the terms of the Fiscal Agent Agreement, including communication, contracts or financial transactions. Records shall be retained by the FA for a period of five years following the termination date of the Compact or the Fiscal Agent Agreement to which it is a party, whichever is earlier. If the Fiscal Agent Agreement is terminated before the termination of the Compact, the FA shall retain copies of all records but shall transfer the originals of all records to the succeeding FA.

14. Audits & Reporting on Misuse of MCA funds or assets

MCA shall ensure that authorized representatives of MCC, the Office of Inspector General for MCC, the U.S. Government Accountability Office, or any auditor contemplated in a Compact Document, are afforded (i) the opportunity to audit or inspect activities financed with MCC Funding, the utilization of goods and services financed by MCC Funding, and books, records and other documents relating to this Compact, and (ii) access to relevant employees and agents of the Government and any other entity receiving amounts of MCC Funding.

14.1. Audit Plans

MCA, with the assistance of the FA, shall prepare an Audit Plan no later than sixty (60) calendar days before the end of each period to be audited. The Audit Plan shall designate the entities (MCA and Covered Providers) to be audited, as outlined in the *Millennium Challenge Corporation Guidelines for Financial Audits Contracted by Foreign Recipients* (MCC Audit Guidelines), as well as the timing of an audit.

Audits shall be conducted on a semi-annual basis for the periods ending 30 June and 31 December. The first audit shall cover the period from XXX 2009 to June 2010.

14.2. Procuring Auditors

MCA shall use a competitive process to select an appropriate auditor from a list of auditors approved by the MCC Inspector General. The Statement of Work included in all bidding and contract documents shall conform to the Statement of Work provided in the Audit Guidelines.

After the initial audit, MCA shall enter into an appropriate number of contracts with qualified auditors to conduct the subsequent audits identified in the Audit Plan.

14.3. Types of Audits and Reviews

The financial audit shall be to assure that the financial statements of the MCC program present fairly the financial position of the program and in accordance with generally accepted accounting standards.

The compliance audit shall be to assure that all financial management procedures and all accounting procedures are being followed by MCA, the FA, and all Directeur Projets implementing the MCC program. This includes compliance with the Fiscal Agent and Procurement Agent Agreements, as appropriate.

MCA shall conduct, or cause to be conducted, such performance reviews, data quality reviews, or program evaluations during the Compact Term in accordance with the Monitoring & Evaluation Plan or as otherwise agreed in writing by the Parties.

14.4. Audit Reports and Findings

MCA shall furnish, or use its best efforts to cause to be furnished, to MCC an audit report in a form satisfactory to MCC for each audit required by Section 3.8 of the Compact, other than audits arranged for by MCC, no later than ninety (90) calendar days after the end of the period under audit, or such other time as may be agreed by the Parties.

Upon receipt of any findings by an auditor, the audit findings will be discussed with MCA's Senior Management and modifications agreed upon to be made to the audit findings by the Auditor. Thereafter revised audit findings shall be submitted to MCA. The CEO shall prepare a written response and submit it to the MCA Board for approval, prior to submission to MCC. Timing of these actions shall be done to assure that the written response is provided to MCC within thirty (30) calendar days of the finding.

MCA shall use its best efforts to ensure that Covered Providers take, where necessary, appropriate and timely corrective actions in response to audits; consider whether a Covered Provider's audit necessitates adjustment of its own records; and, require each such Covered Provider to permit independent auditors to have access to its records and financial statements as necessary.

14.5. Steps in the Financial Audit Process

1. An Audit Plan is prepared by DAF, with assistance by the FA, and approved by MCC. The Audit Plan should be submitted to MCC within 60 days before the next Audit period.
 - a. By May 1 for – January - June Audit Period
 - b. By November 1 for the – July - December Audit Period
2. The procurement of the Auditor takes place or the Option Period on an existing audit contract is exercised. A firm must be on the approved auditor lists:
(http://www.usaid.gov/oig/public/mcc/resources/mcc_auditors_lists.htm)
3. The Financial Audit must be completed within 90 days after the end of the audit period
 - a. The Auditor has 3 deliverables: Planning Document, Draft Audit Report, and Final Audit Report. Each deliverable must be approved by the MCC Office of the Inspector General before payment.
 - b. The Auditor must conduct:
 - i. An Entrance Conference
 - ii. An Exit Interview after the completion of fieldwork to discuss its preliminary audit findings and allow the MCA and the FA/PA to correct and clarify any misunderstandings that may have arisen during fieldwork, and to request formal, written comments for inclusion into the Draft Audit report.
 - iii. An Exit Conference to discuss the Draft Audit Report with the MCA and the FA/PA
 - c. The Auditor submits the Draft Audit Report and then Final Audit Report to the MCC Office of the Inspector General (OIG).
 - d. The OIG will send the **Approved Final Audit Report** to the MCA CEO. The letter usually states that the OIG would like to see a corrective action plan on the findings. It's not an approved Final Audit Report until the OIG sends it to the MCA officially. The OIG usually takes about a month before they send the approved Final Audit Report to the MCA.
 - e. At that point, the MCC Fiscal Accountability Director will work with the DAF to develop a corrective action plan and to document any changes that the MCA deems unnecessary.

- f. A copy of the Final Audit Report and Corrective Action Plan should be sent to the MCA Board

14.6. Reporting on misuse of MCA's funds or assets

It shall be the policy of MCA to use the USAID Office of Inspector General (OIG) HOTLINE as a mechanism to report instances of waste, fraud or abuse of MCA's funds or assets. Employees, contractors, consultants, and the public may report such instances via telephone, email, or mail. For details see the MCA Whistleblower Policy (Annex III)

Annex I: Chart of Accounts

[To be developed at the beginning of the Project]

Annex II: Signature regulation

	MCC	Board	CEO	DCEO	DAF	DP M	DP*
Notes		1	2	3	3	3	3+4
Budgets above the sub-activity level	X	X	X	A			
Budgets at the sub-activity level and below			X	A			
Short-term approval of invoices exceeding budget			X	A	X		X
QFR, Disbursement Requests & Procurement Plan	X	X	X	A			
Hiring and Removal of Key Personnel	X	X	X	A			
Staff Bonus Payments		X	X	A	X		
Contracts over USD 50,000			X	A		A	
Contracts at or under USD 50,000			A	X		A	
Contracts at or under USD 2,000			A	A		X	
Personnel Actions related to Managers and above		X	X	X			
Personnel Actions related to staff below Managers			A	X	X		X
Petty Cash Transactions			A	A	X		
Purchase Requests over USD 50,000			X	A	X	X	
Purchase Requests under or at USD 50,000			A	X	X	X	
Local Purchase Orders over USD 50,000			X	A	A		
Local Purchase Orders under or at USD 50,000			A	X	A		
Receiving Report for Goods /Services over USD 50,000			X	X	A		
Receiving Report for Goods/Services under or at USD 50,000			A	X	A		X
Receiving Report for Goods/Services under USD 2,000			A	A	A		XX (two approvals)
Disposal of Fixed Assets			X	X	A		
Travel regulation		X	X	A	X		
Invoices over USD 50,000			X	A	X		X
Invoices at or under USD 50,000				X	X		X
Invoices under USD 2,000					X		X
Travel Advances over XOF 500,000		X	AX	XA	X		
Travel Advances under or at XOF 500,000			A	X			
Travel Requests related to Managers and above			X	A			

Travel Requests related to staff below Managers			A	X	X		X
Vehicle use, motor pool			A	A			X

X = required approval

A = Alternate Approval: Individual can approve if one MCA staff Required Approver (marked with X) is not available (i.e. the Alternate may not approve for MCC or the Board)

Notes:

- 1) The MCA-Senegal Board may utilize a fast-track process to provide its approval.
- 2) The Board is to be notified of any signature by the CEO on any document (excluding regular monthly salary payments) benefitting the CEO and/or the CEO's immediate family.
- 3) Designated Signatories below the CEO level are excluded from signing off on any document (excluding regular monthly salary payments) which would benefit themselves and/or members of their respective immediate family.
- 4) Directeur Projets may only sign for actions in areas for which they are responsible. Specifically, the following Directeur Projets may sign for:

[Please specify Names and/or titles of Directeur Projets in the following table]

Project/Activity	Directeur Projet
Project I	NN1.0
A.	NN1.1
B.	NN1.2
C.	NN1.3
D.	NN1.4
E.	NN1.5
F.	NN1.6
Project II	NN 2.0
A.	...
...	
Project III	
A.	
...	
Monitoring and Evaluation	
Program Management and Oversight	
A. Program Admin. (MCA-Senegal)	
B. Fiscal Management	
C. Procurement Agent Services	
D. Bank Contract	
E. Auditing	
F. Environmental/Social Oversight (consultants)	

Annex III: Whistleblower Policy*

It shall be the policy of MCA-Senegal to use the USAID Office of Inspector General (OIG) HOTLINE as a mechanism to report Waste, Fraud or Abuse. Employees, contractors, consultants, and the public may report instances of waste, fraud or abuse of MCA-Country's funds or assets via telephone, email, or mail.

The purpose of the Office of Inspector General Hotline is to receive complaints of Waste, Fraud or Abuse in MCA-Country's operations, including mismanagement or violations of law, rules or regulations by employees, consultants, contractors, or program participants.

HOTLINE Reporting Method	Contact Information	Confidential
Telephone	1-800-230-6539 or 202-712-1023	YES, if requested
E-Mail	ig.hotline@usaid.gov	NO
Mail	US Agency for International Development Office of Inspector General Investigations (USAID/OIG/I) P.O. Box 657 Washington, DC 20044-0657	YES, if requested

The OIG provides oversight services for USAID and the Millennium Challenge Corporation (MCC). Complaints may be received directly from employees, program participants, consultants, contractors, or the general public. The Inspector General Act and other pertinent laws provide the protection of persons making Hotline complaints. Individuals have the option of submitting their complaint(s) via Internet electronic mail, telephone, or U.S. mail. However, if you elect to submit your complaint(s) via Internet e-mail you must waive confidentiality due to the non-secure nature of Internet electronic mail systems.

**** MCA-Senegal shall ensure that this policy is posted on their website, and that signage is posted in a public area at all MCA-Senegal office locations in addition to the offices of the Fiscal and Procurement Agents***

Annex IV: Senegal Common Payment System (CPS) Codes

SENEGAL COMMON PAYMENT SYSTEM (CPS) CODES	
MCC Funding Source	
Compact Implementation Funding (CIF)	CIF
Compact	Compact
Project Name	
Project I	WTR SECTOR
Activity Name	
A	0161
B	0162
C	0163
D	0164
E	
F	0165
Project Name	
Project II	HEALTH SEC
Activity Name	
A.	0166
...	0167
Project Name	
Project III	PS DEVEL
Activity Name	
A	0174
...	0175
Project Name	
Monitoring and Evaluation	MON & EVAL
Activity Name	
Monitoring and Evaluation	0016
Project Name	
Program Management and Oversight	PGM ADMIN
Activity Name	
A. Program Admin. (MCA-Senegal)	0179
B. Fiscal Management	0131
C. Procurement Agent Services	0021
D. Bank Contract	0180
E. Auditing	0031
F. Environmental/Social Oversight (consultants)	0181
For Local Accounts use NA for Project Name	
For Local Accounts use NA for Activity Name	