



May 30, 2019

Honorable Samuel D. Tweah
Ministry of Finance and Development Planning
Broad Street
Monrovia, Liberia

Re: Implementation Letter – Revised MCC *Cost Principles for Accountable Entity Operations* and related required actions

Dear Honorable Minister Tweah:

Reference is made to the Millennium Challenge Compact between the United States of America, acting through the Millennium Challenge Corporation, a United States government corporation (“MCC”), and the Government of the Republic of Liberia, acting through the Ministry of Finance and Development Planning (the “Government”), dated October 2, 2015 (the “Compact”) and the Program Implementation Agreement, dated October 2, 2015, between MCC and the Government (“PIA”). Unless otherwise stated, all capitalized terms that are used but not defined in this letter agreement shall have the meanings given to such terms in the Compact or in the PIA.

MCC recently updated the MCC *Cost Principles for Accountable Entity Operations*, which is one of the MCC guidance documents and policies included in the definition of the term Program Guidelines set forth in Annex IV to the Compact.

Pursuant to Section 3.5 of the Compact, the purpose of this letter is to alert you to the fact that, as of June 30, 2019, the reference to the MCC *Cost Principles for Accountable Entity Operations* (the “*Original Cost Principles*”) in the Compact’s definition of Program Guidelines will be deemed a reference to the updated version thereof, which is now entitled the MCC *Cost Principles for Government Affiliates* and is available on the MCC Website at <https://www.mcc.gov/resources/doc/guidance-cost-principles-for-government-affiliates> (the “*Updated Cost Principles*”).

We respectfully request that the Government and MCA-Liberia review the Updated Cost Principles carefully, as they necessitate certain changes in policies and procedures in order for the Government to meet its obligations under the Compact. Please take all actions necessary to ensure the Government and MCA-Liberia’s compliance with the Updated Cost Principles.

In particular, MCA-Liberia must update its Fiscal Accountability Plan to conform it to the Updated Cost Principles and make such updated plan effective no later than June 30, 2019. MCA-Liberia also must notify certain stakeholders, including its external auditor, of the Revised Cost Principles, and must determine whether the Updated Cost Principles, which are applicable to Implementing Entities, necessitate changes to any Implementing Entity Agreements.

Any solicitations for goods, works, or services that are issued on or after June 30, 2019, must reference the Updated Cost Principles and conform thereto. Contracts for which solicitations were issued prior to June 30, 2019, may continue to reference and be governed by the Original Cost Principles. Any contracts resulting from solicitations issued prior to June 30, 2019, do not need to be renegotiated or otherwise amended to conform to the Updated Cost Principles.

MCC's program financial services experts are available to discuss how the Updated Cost Principles differs from the prior version of such guidelines and to assist MCA-Liberia in promptly completing those tasks necessary to be in compliance with the Updated Cost Principles.

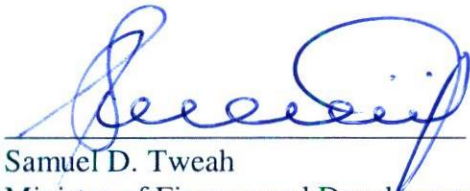
Please acknowledge your receipt of this letter by countersigning in the space provided below for your signature and return to MCC's Resident Country Director for Liberia.

Sincerely,



Kyeh Kim
Principal Deputy Vice President, Department of Compact Operations
Additional Representative
Millennium Challenge Corporation

Acknowledged on _____, 2019:



Samuel D. Tweah
Minister of Finance and Development Planning

cc: Monie Captan, Chief Executive Officer, Millennium Challenge Account Liberia
Kateri Clement, Resident Country Director, MCC
Kevin George, Deputy Resident Country Director, MCC
Kevin Mitchell, Practice Lead and Senior Director, Program Financial Services, MCC
Ashley Schrecongost, Program Financial Services, MCC