



January 27, 2017

No. 2

Hon. Boima Kamara  
Minister of Finance and Development Planning  
Broad Street  
Monrovia  
Liberia

**Re: Millennium Challenge Compact – Management Support to LEC Sub-Activity**

Dear Hon. Minister Kamara:

The purpose of this Implementation Letter is to set forth understandings regarding the implementation of the Management Support to LEC Sub-Activity under the Millennium Challenge Compact signed on October 2, 2015 (the “*Compact*”), between the United States of America, acting through the Millennium Challenge Corporation (“*MCC*”), and the Government of the Republic of Liberia, acting through the Ministry of Finance and Development Planning (the “*Government*”), and with further reference to the Program Implementation Agreement (“*PIA*”) signed on the same date between MCC and the Government. Each capitalized term used but not defined in this letter has the meaning given to such term in the Compact or in the PIA.

Section B.1(a)(iv)(C) of Annex I of the Compact describes the Management Support to LEC Sub-Activity (“*Sub-Activity*”), which falls under the Energy Sector Reform Activity. According to the Compact and PIA, MCA-Liberia is currently the Accountable Entity for this Sub-Activity. However, after discussions among the Government, MCA-Liberia and MCC, the Government has indicated that it wishes LEC to procure and execute a management services contract (“*MSC*”), which constitutes part of this Sub-Activity. This means that LEC will now be the Accountable Entity for parts of this Sub-Activity with respect to the MSC and will procure the MSC in compliance with MCC’s Program Procurement Guidelines (“*PPG*”). LEC will procure the MSC with the assistance of Tetra Tech as the transaction advisor. Tetra Tech will also provide LEC with procurement assistance, including procurement agent services, and will assist LEC in ensuring that the MSC procurement complies with the PPG. MCA-Liberia’s Procurement Agent is familiar with the PPG and will be available as a resource to Tetra Tech and LEC throughout the procurement process. It is expected that Tetra Tech will maintain a procurement expert to oversee the bid evaluation at all times, that MCC will be notified of any potential or actual conflicts of interest, and that any such conflicts will be handled in compliance with PPG.

With respect to the procurement of the MSC: MCC will participate in the pre-conference meeting, and MCA-Liberia will receive and store all bids in a secure location in a locked drawer, storage area or safe, in accordance with PPG requirements until all Technical Evaluation Panel members have been trained by MCA-Liberia. MCC approval will be required for the Final Evaluation Report and recommendation for award.

Tetra Tech is expected to assist LEC until 90 days after the MSC mobilization date, after which LEC will consult with MCA-Liberia, MCA-Liberia's Procurement Agent and the contract monitoring consultant on all aspects of the administration of the MSC. With respect to financial management and administration of the MSC, LEC will consult with and use the services of MCA-Liberia's Fiscal Agent and disbursement requests with respect to the MSC will be provided by MCA-Liberia. Any modification, amendment, termination or suspension of the MSC would require prior written approval by MCC. This Implementation Letter will be followed by an Implementation Agreement that will further describe the roles and responsibilities of LEC and MCA-Liberia with respect to the Management Support to LEC Sub-Activity.

Please note that, in subsequent documentation, the PIA will be amended and the Compact will be modified to account for LEC as the Accountable Entity for parts of the Sub-Activity that relate to the MSC. As a result, the "Accountable Entity" referenced in the Program Guidelines will be deemed to refer to LEC, and all obligations assigned to the "Accountable Entity" in the Program Guidelines will be obligations of LEC in relation to parts of the Sub-Activity that relate to the MSC. Among other obligations set forth in the Program Guidelines, MCC will have the right to sit as an observer in LEC Board meetings with respect to the MSC.

In addition, LEC will continue to act as the Accountable Entity with respect to the Mt. Coffee Activities pursuant to Section 1.4 of the PIA. Similar to what is set forth above, the "Accountable Entity" referenced in the Program Guidelines will be deemed to refer to LEC, and all obligations assigned to the "Accountable Entity" in the Program Guidelines will be obligations of LEC in relation to the Mt. Coffee Activities.

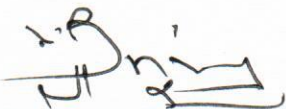
Except as expressly set forth herein, nothing in this Implementation Letter shall be deemed to amend or modify any other provision of the Compact or PIA. If you agree with the terms of this letter, please sign below and return a copy to me by fax or electronic mail. This Implementation Letter will be effective upon the date of the later signature by the Government.

Sincerely,



Kye Kim  
Acting Vice President, Department of Compact Operations  
Millennium Challenge Corporation

Acknowledged and Agreed on \_\_\_\_\_ 2017:



Hon. Boima Kamara  
Minister of Finance and Development Planning

cc: Mr. Jeff Gongoer Dowana Sr., Liberian Deputy Chief of Mission to the United States  
Ambassador Christine Elder, United States Ambassador to Liberia  
Kateri Clement, Resident Country Director, MCC  
Ian Yhap, Chairman of the Board, LEC  
Monie Captan, Chief Executive Officer, MCA Liberia