

COORDINATION AGREEMENT
BETWEEN
MCA-LIBERIA
AND
LIBERIA ELECTRICITY COMPANY
Dated as of November 3, 2017

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COORDINATION AGREEMENT

PREAMBLE

This COORDINATION AGREEMENT (this “**Agreement**”), dated as of November 1, 2017, is by and between MCA-Liberia, an entity organized and created by an Act of the National Legislature of the Republic of Liberia, (“**MCA-Liberia**”), and the Liberia Electricity Company, an entity organized and created by an Act of the National Legislature of the Republic of Liberia, (“**LEC**”). MCA-Liberia and LEC are referred to herein individually as a “**Party**” and together as the “**Parties**.”

The Republic of Liberia (the “**Government**”) and the United States of America, acting through the Millennium Challenge Corporation (“**MCC**”), entered into a Millennium Challenge Compact on October 2, 2015, providing for a grant of up to Two Hundred Fifty-Six Million Seven Hundred Twenty-Six Thousand United States Dollars (US \$256,726,000) to advance economic growth and reduce poverty in Liberia (the “**Compact**”).

Reference is made to that certain Program Implementation Agreement, entered into between the United States of America, acting through MCC, and the Government, dated October 2, 2015 (the “**PIA**”), to facilitate implementation of the Compact.

The Government has established MCA-Liberia as an accountable entity to act as its designee in supervising and managing the implementation of the Compact program in Liberia. The Government has also designated LEC as an accountable entity to act as its designee in supervising and managing the implementation of the Mt. Coffee Rehabilitation Activity, portions of the Mt. Coffee Support Activity (the “**LEC Mt. Coffee Activities**”), and portions of the Management Support to LEC Sub-Activity (the “**LEC MSC Activity**” collectively with the LEC Mt. Coffee Activities, the “**LEC Activities**”). The division of responsibilities between MCA-Liberia and LEC is more fully described in Annex I and Annex II to this Agreement.

The PIA requires that MCA-Liberia and LEC establish an operational partnership to support implementation of the LEC Activities and are entering into this Agreement to define their respective roles and responsibilities under such arrangement.

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

ARTICLE 1.

DEFINITIONS; PRINCIPAL COMPACT DOCUMENTS.

Section 1.1 Definitions. Capitalized terms used but not defined in this Agreement have the meanings set forth in the Compact, and, if not defined in the Compact, in the PIA.

Section 1.2 Principal Compact Documents.

(a) The Parties will perform their responsibilities under this Agreement with respect to the LEC MSC Activity in accordance with the following documents, as amended from time to time (collectively, the “**Principal Compact Documents**”): (i) the Compact; (ii) the PIA; (iii) the MCC Cost Principles for Government Affiliates Involved in Compact Implementation; (iv) the MCC Program Procurement Guidelines; (v) each policy framework and implementation plan adopted by MCA-Liberia (and approved by MCC, as applicable) for the overall management of the Program, including without limitation each procurement plan, fiscal accountability plan, detailed financial plan, audit plan, monitoring and evaluation plan (the “**M&E Plan**”), environmental and social management plan(s), social and gender integration plan, and resettlement action plan; (vi) the bylaws of MCA-Liberia; and (vii) the law establishing MCA-Liberia.

(b) The Parties will perform their responsibilities under this Agreement with respect to the LEC Mt. Coffee Activities in accordance with the following documents, as amended from time to time (collectively, the “**Principal Mt. Coffee Documents**”): (i) the Compact, (ii) the PIA, (iii) any agreement governing the use of MCC Funding, (iv) the Financial Management Manual, (v) the Mt. Coffee Implementation Plan, (vi) the Audit Plan, (vii) the M&E Plan, and (viii) the Social and Gender Integration Plan to the extent that they are applicable to the Mt. Coffee Activities. In

the event of any conflict between the terms of this Agreement and those of any Principal Mt. Coffee Document, the terms of the Principal Mt. Coffee Document will prevail.

ARTICLE 2.

LEC'S AGREEMENT TO PERFORM.

LEC hereby agrees to cooperate with MCA-Liberia in implementing the LEC Activities to the extent and as described in this Agreement and as set forth in Annex I to this Agreement. The responsibilities and actions to be undertaken by LEC are collectively referred to herein as the "Responsibilities." LEC's agreement to undertake the Responsibilities does not relieve the Government of any of its responsibilities under the Compact or any document related thereto.

ARTICLE 3.

MCA-LIBERIA'S RESPONSIBILITIES.

Section 3.1 MCA-Liberia Responsibilities. MCA-Liberia hereby agrees with LEC that MCA-Liberia will:

- (a) perform, in accordance with the terms and conditions of this Agreement, the obligations and responsibilities assigned to MCA-Liberia as set forth in this Agreement and as set forth in Annex II to this Agreement. The foregoing agreement does not relieve the Government or LEC of any of their respective responsibilities under the Compact or any document related thereto;
- (b) during LEC's procurement of the management services contract ("**MSC**"), pursuant to which a firm (the "**Operator**") will operate and manage LEC, as part of the LEC MSC Activity, receive and store received bids in a secure location, in accordance with the MCC Program Procurement Guidelines until all technical evaluation panel members have been oriented by Tetra Tech's procurement advisor, as well as providing access to necessary equipment and a location for the technical evaluation panel members to meet; and
- (c) Procure through MCA-Liberia's Procurement Agent, execute, and oversee an agreement with a contract monitoring consultant (the "**CMC**") that will provide technical assistance to MCA-Liberia in the operations of the MSC. MCA-Liberia and LEC will be required to work in close coordination with each other and the CMC to ensure timely review of MSC deliverables and payment of MSC invoices, as further described in Annex III to this Agreement; and
- (d) promptly after the execution of this Agreement, deliver to LEC true and correct copies of the Principal Compact Documents and the Principal Mt. Coffee Documents relevant to the Responsibilities of LEC and any other information or documents that LEC may need from time to time to enable it to perform the services contemplated hereunder.

ARTICLE 4.

LEC'S RESPONSIBILITIES.

Section 4.1 Designated Official. Unless otherwise agreed by the Parties in writing, LEC designates the Chairman of the Board of LEC to serve as its primary point of contact with MCA-Liberia (the "**Designated Official**"). LEC hereby expressly authorizes and empowers the Designated Official to act on its behalf on all matters in respect of the LEC Activities, including to communicate (and to certify upon request) all comments, approvals, authorizations, and other notices of LEC to MCA-Liberia or MCC. LEC, by written notice to MCA-Liberia, may designate one or more additional representatives of sufficient managerial authority to act as a secondary point of contact with MCA-Liberia, as appropriate.

Section 4.2 MCA-Liberia Point of Contact. In the performance of the Responsibilities, LEC, through the Designated Official, will liaise with the Deputy Chief Executive Officer of MCA-Liberia or another authorized MCA-Liberia representative designated in writing by MCA-Liberia.

Section 4.3 Standard of Care. LEC will perform the Responsibilities in a timely and cost-effective manner, with the highest standard of care, diligence, and efficiency, in compliance with

professionally sound administrative, technical, financial, environmental, social, and management practices.

Section 4.4 Assisting with MCA-Liberia Compact Obligations. LEC will cooperate fully with all requests for information or action by MCA-Liberia and its agents, officers, and directors in the performance of the Responsibilities, including, without limitation:

(a) cooperating with the Procurement Agent engaged by MCA-Liberia to provide procurement services, and assisting MCA-Liberia and MCA-Liberia's Procurement Agent pursuant to Article 5 of this Agreement;

(b) cooperating with the Environmental Protection Agency of Liberia and MCA-Liberia's Director for Environmental & Social Protection to obtain any environmental permits necessary for the LEC Activities, as well as to incorporate policy elements that address environmental and social protection, health and safety of workers and the public, waste minimization, pollution prevention and resource conservation, watershed conservation measures (including fish management), general and hazardous waste management, protection of and compatibility in land use, maintenance of reservoir access infrastructure, and preserve cultural heritage;

(c) cooperating with MCA-Liberia's Director of Private Sector Development, MCA-Liberia's Director of Finance & Administration, and the Fiscal Agent engaged by MCA-Liberia to provide fiscal agent services to ensure prompt processing of all invoices received in connection with any goods, works, or services related to the projects identified in the LEC Activities;

(d) cooperating with MCA-Liberia's Director of Gender and Social Inclusion when drafting the MCA-Liberia's Social and Gender Integration Plan;

(e) cooperating with MCA-Liberia, the Liberia Revenue Authority and MCA-Liberia's Fiscal Agent, where applicable, to ensure the exemption, reimbursement, or other required treatment of any Taxes under the Compact;

(f) promptly providing MCA-Liberia or the CMC with all requested information necessary for any reports required by the Government or MCC;

(g) during the Compact Term and for up to five years (or such other period as the Parties may agree) following the termination or expiration of this Agreement, assisting MCA-Liberia¹ with the preparation and implementation of the M&E Plan by providing: (i) input to MCA-Liberia's Director of Monitoring and Evaluation as requested; (ii) reports, data, and documentation under its control or other support as may be necessary or requested by MCA-Liberia for the compliance by the Government with its obligations under the M&E Plan; and (iii) any information (or taking other action) reasonably requested by MCA-Liberia's Director of Monitoring and Evaluation in connection with the monitoring and evaluation of the LEC Activities as further detailed in Annex IV to this Agreement;

(h) provide promptly such certifications, approvals, information, and documents or take such other actions (i) as are necessary for any Disbursement Request in accordance with the applicable requirements contained in or incorporated by reference into the Principal Compact Documents and this Agreement; and (ii) as may reasonably be requested by MCA-Liberia from time to time in furtherance of the Principal Compact Documents or this Agreement; and

(i) obtain or support MCA-Liberia in obtaining all zoning, environmental, construction, immigration, business, and other permits, licenses, consents, and approvals ("**Licenses**") necessary to enable the consultants contracted or personnel hired in connection with the LEC Activities by MCA-Liberia to perform fully their responsibilities as set forth in such contracts; provided, that no MCC Funding will be used to pay any Taxes in connection with any such Licenses.

¹ After the Compact term ends, any reference to MCA-Liberia in this paragraph will be interpreted as a reference to the designated post-Compact M&E counterpart.

ARTICLE 5.

PROCUREMENT; EXPENSES; PAYMENTS TO THE OPERATOR.

Section 5.1 Mt. Coffee Rehabilitation Activity Procurement.

(a) As set forth in the Compact, except as otherwise agreed to by the Parties in writing and approved by MCC, all goods, works, and services required to implement the Mt. Coffee Rehabilitation Activity will be in accordance with KfW's guidelines for procurement. Each procurement will be subject to MCC's prior approval with regard to excluded parties and government owned enterprises. Before entering into a contract award to be funded with MCC Funding, LEC through MCA-Liberia will examine the eligibility of consultants and contractors. LEC, through MCA Liberia, will also examine the eligibility of consultants and contractors prior to partial payments according to the requirements of the MCA-Liberia's Fiscal Accountability Plan. LEC, MCA-Liberia, and MCA Liberia's corresponding fiduciary agents will maintain a record of such checks.

(b) Procurements under the portion of the Mt. Coffee Support Activity for which LEC is the accountable entity and Permitted Designee will be carried out using KfW's procurement guidelines and executed by the PIU. Procurement for the portions of the Mt. Coffee Support Activity for which MCA-Liberia is the accountable entity and Permitted Designee will be carried out by MCA-Liberia through MCA-Liberia's Procurement Agent following the MCC Program Procurement Guidelines.

(c) Management Support to LEC Sub-Activity Procurement. Procurements for the LEC MSC Activity will be conducted by transaction advisors, Tetra Tech, and assisted by MCA-Liberia's Procurement Agent, as necessary. LEC will ensure that every aspect of the procurement is consistent with the MCC Program Procurement Guidelines. At such time that amendments to the MSC are required, they will be subject to the MCC Program Procurement Guidelines and will be facilitated by MCA-Liberia's Procurement Agent to ensure compliance with the MCC Program Procurement Guidelines.

Section 5.2 Payments to the Operator. Payments to the Operator will be made in accordance with the procedures set forth in Annex III to this Agreement.

ARTICLE 6.

LEC COVENANTS AND REPRESENTATIONS.

Section 6.1 LEC Staff; Contracting.

(a) LEC will use only qualified, experienced, and reliable staff for the performance of the Responsibilities. LEC will supervise all such staff and take all necessary action to address any misconduct or failure of such staff. Any appointment, removal, or addition of any LEC staff dedicated full-time to the activities described in this Agreement or financed with MCC Funding (whether or not dedicated full-time) will be subject to the prior written approval of MCA-Liberia, provided that such approval will not be unreasonably withheld. Any significant potential interruption, delay, or alteration of the performance of the Responsibilities will be a sufficient reason for MCA-Liberia to deny approval.

(b) LEC may not enter into any arrangement, agreement, sub-license or subcontract with, or grant a sub-award to, any other person or entity (including a Government affiliate), involving the Responsibilities without the prior written consent of MCA-Liberia and MCC.

(c) LEC will become the lawful owner and will assume the full risk of ownership as of the date of delivery of any assets, each a Program Asset under the Compact, donated to LEC under the terms of this Agreement. Once LEC assumes ownership of the donated assets, LEC will provide insurance coverage for the donated assets as required by the Principal Compact Documents (or, if the Compact has expired or been terminated, insurance coverage equivalent to the coverage provided to other property owned by LEC).

Section 6.2 Records, Information, and Reporting. LEC will maintain such books, records, documents, and other evidence relating to the performance of the Responsibilities as are required

by the Compact (including without limitation Sections 3.7(a) and (b) of the Compact), and as are reasonably requested by MCA-Liberia in order to comply with its reporting requirements under the Principal Compact Documents and the Principal Mt. Coffee Documents (all such books, records, documents, and other evidence, collectively "**Compact Records**"). LEC will provide all Compact Records to MCA-Liberia upon its request, all of which will be true, accurate, and complete as of the date provided. LEC hereby acknowledges that information provided pursuant to this Section 6.2 may be used in any manner and made publicly available by MCA-Liberia or MCC, including by posting such information on their websites.

Section 6.3 Access, Audits, and Reviews. LEC will permit such access as is provided in Section 3.7(c) of the Compact, and such audits, reviews, and evaluations as are contemplated in Section 3.8 of the Compact. Such Compact provisions will apply mutatis mutandis to LEC as if references therein to the Government were references to LEC. In addition, LEC will permit MCA-Liberia access to enter any premises, in each case, to the extent related to the performance of the Responsibilities, and to engage with any LEC staff or contracted consultants stationed at LEC dedicated full-time to the activities described in this Agreement or financed with MCC Funding (whether or not dedicated full-time).

Section 6.4 Representations. LEC hereby represents and warrants that, as of the date of this Agreement, neither LEC nor any of its officers, directors, or employees involved in the provision of services contemplated by this Agreement has ever been convicted of any narcotics offenses and is not engaging or participating, has ever engaged or participated, and will not engage or participate during the term of this Agreement, in drug trafficking, terrorism, trafficking in persons, prostitution, fraud, felony, any misconduct injurious to MCC or MCA-Liberia, any activity contrary to the national security interests of the United States, or any other activity that materially and adversely affects the ability of the Government or any other party to effectively implement, or ensure the effective implementation of, the Program or any Project or to otherwise carry out its responsibilities or obligations under or in furtherance of the Principal Compact Documents or the Principal Mt. Coffee Documents or that materially adversely affects the Program assets or any Permitted Account.

Section 6.5 Conflicts. LEC will not enter into any agreement in conflict with this Agreement, the Principal Compact Documents, or the Principal Mt. Coffee Documents during the Compact Term. In the event of any conflict between this Agreement and any Principal Compact Document or Principal Mt. Coffee Document to which MCC is a party, the Principal Compact Document or Principal Mt. Coffee Document will prevail.

Section 6.6 Conflict of Interest. LEC will ensure that no person or entity will participate in the selection, award, administration, or oversight of a contract, grant, or other benefit or transaction funded in whole or in part (directly or indirectly) by MCC Funding in connection with this Agreement or the Compact, in which (a) the entity, 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 or entity has or have a financial or other interest; or (b) the person or entity is negotiating or has any arrangement concerning prospective employment, unless such person or entity has first disclosed in writing to the parties under this Agreement and MCC the conflict of interest and, following such disclosure, the parties to this Agreement agree in writing to proceed notwithstanding such conflict. LEC will ensure that no person or entity involved in the selection, award, administration, oversight, or implementation of any contract, grant, or other benefit or transaction funded, in whole or in part (directly or indirectly), by MCC Funding in connection with this Agreement will solicit or accept from or offer to 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.

Section 6.7 Confidentiality. LEC will ensure that each person or entity in performance of the Responsibilities through LEC complies with this section by maintaining the strict confidentiality of all documents, reports, data and other information relating to: (i) LEC personnel matters; (ii) actual, potential or apparent conflicts of interest; (iii) procurement matters prior to final contract award; and (iv) contract administration matters; and (v) any other documents, reports, data and information specifically designated as being confidential or proprietary by LEC (or its Board of Directors) ("**Confidential Information**") and shall take reasonable steps to prevent the intentional or unintentional use or disclosure of such Confidential Information, except as explicitly authorized by LEC or its Board of Directors, MCA-Liberia or MCC. Notwithstanding the termination of this

Agreement or any employment, consultancy, association or engagement between a person or entity and LEC for whatsoever reason, the obligations to maintain the secrecy and the confidentiality of the Confidential Information shall endure for a period of two years from the date of such termination.

MUTUAL REPRESENTATIONS.

Section 7.1 Mutual Representations. Each Party hereby represents and warrants to the other Party, as of the date of execution of this Agreement, that: (a) it has the power and authority to execute, deliver, and perform its obligations under this Agreement and each other agreement, certificate, or instrument contemplated hereby; (b) the execution, delivery, and performance by it of this Agreement and the transactions contemplated herein will not violate any applicable law or regulation or any of its contractual obligations; and (c) no consent, approval, registration, or filing with or any other action by any person, entity, or governmental authority is required in connection with the execution, delivery, and performance of this Agreement.

ARTICLE 8.

TERMINATION.

Section 8.1 Termination.

This Agreement will terminate upon the first to occur of the following:

(a) MCA-Liberia elects to terminate this Agreement by written notice to LEC, given with MCC's approval, upon material breach by LEC of a representation, covenant, obligation, or responsibility under this Agreement;

(b) the Compact terminates in accordance with its terms or otherwise; or

(c) the Expiration Date (as defined in Section 9.6) occurs; provided, that the terms of this Agreement may be extended by notice from MCA-Liberia in writing for a longer period following the expiration, suspension, or termination of the Compact either during the closure of the Compact or if MCC instructs MCA-Liberia to so extend this Agreement, including if MCC determines that additional time is required to resolve any litigation, claims, or audit findings.

Section 8.2 Effect of Termination.

Subject to Section 6.1(c), upon the expiration or termination of this Agreement, LEC will ensure the orderly and timely transfer of all transferrable Program Assets and all records, documents, and information (including all documents containing or relating to confidential information), together with all electronic copies thereof to MCA-Liberia, MCC, or either of their agents or representatives, and LEC will take, or cause to be taken, any other actions reasonably requested by MCA-Liberia, MCC, or either of their agents or representatives to ensure the proper transition of any services provided by LEC pursuant to this Agreement, if applicable.

ARTICLE 9.

GENERAL PROVISIONS.

Section 9.1 Communications. Any document or other communication required, permitted, or submitted by a Party to another Party under this Agreement (or MCC as applicable) must be in writing and in English and sent to a Party or Parties (or MCC as applicable) at the address indicated below, or at such other address as such Party (or MCC as applicable) may designate:

To MCA-Liberia:

Attention: Mr. Tshaka Dennis
Deputy Chief Executive Officer
Millennium Challenge Account Liberia
F & F Building, 2nd & 3rd Floors
63 UN Drive, Mamba Point
Monrovia, Liberia
Telephone: +231777999990
Email: dennist@mca.gov.lr

To LEC:

Attention: Dr. Clarence K. Moniba
Chairman of the Board of Directors
LEC Headquarters, Waterside
P.O. Box 10-165
Monrovia, Liberia
Email: cmoniba@hotmail.com

To MCC:

Attention: Ms. Kateri Clement
Resident Country Director
MCC
502 Benson Street, Mamba Point
Monrovia, Liberia
Telephone: +231-777-965-452
Email: clementka@mcc.gov

A Party's contact person and/or information may be changed at any time by giving notice of the change to the other Party. The notice must include the new contact information and/or name of the new contact person.

Section 9.2 Representatives. For all purposes relevant to this Agreement, LEC will be represented by the individual holding the position of the Designated Official, and MCA-Liberia will be represented by the individual holding the position of, or acting as, the Deputy Chief Executive Officer of MCA-Liberia (each, a "**Principal Representative**"); each of whom, by written notice, may designate one or more additional representatives (each, an "**Additional Representative**") for all purposes other than signing amendments to this Agreement. A Party may replace its Principal Representative with an individual of equivalent or higher rank and seniority upon written notice to the other Party and MCC.

Section 9.3 Assignment. LEC may not assign, delegate, or otherwise transfer its rights or obligations under this Agreement without the prior written consent of MCA-Liberia and MCC.

Section 9.4 Amendments. This Agreement (including all Annexes) may be amended or modified only by written agreement, signed by the Principal Representatives of MCA-Liberia and LEC, and approved in writing by MCC, notwithstanding any law, regulation, or decree that purports to amend or modify any term or condition thereof.

Section 9.5 Survival. Sections 1.2, 4.4(g), 6.2, 9.1, and 9.2 and Article 8 will survive the expiration or termination of this Agreement.

Section 9.6 Effective Date; Expiration Date. This Agreement will become effective on the date on which the Principal Representative of LEC and MCA-Liberia have signed this Agreement. This Agreement will expire concurrently with the expiration of the Compact (the “**Expiration Date**”), unless earlier terminated pursuant to Section 8.1.

Section 9.7 Annexes. Each annex, exhibit, schedule, appendix, and attachment to this Agreement is incorporated herein and constitutes an integral part of this Agreement.

Section 9.8 Agreement Status. The Parties agree and acknowledge that this Agreement is the “Coordination Agreement” as such term is defined in the PIA.

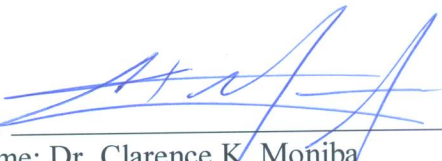
SIGNATURE PAGE FOLLOWS ON NEXT PAGE

IN WITNESS WHEREOF, MCA-Liberia and LEC, each acting through its duly authorized representative, have caused this Agreement to be executed in their names and delivered as of November 3, 2017.

MILLENNIUM CHALLENGE
ACCOUNT-LIBERIA

LIBERIA ELECTRICITY COMPANY

By: 
Name: Monie R. Captan
Title: CHIEF EXECUTIVE OFFICER

By: 
Name: Dr. Clarence K. Moniba
Title: CHAIRMAN, BOARD OF DIRECTORS

ANNEX I

RESPONSIBILITIES OF LEC

LEC is the accountable entity and Permitted Designee with respect to the following Activities and Sub-Activities:

1. Mt. Coffee Rehabilitation Activity;
2. Portions of the Mt. Coffee Support Activity, specifically, implementing reservoir access infrastructure, installing floating walkways, managing the WASH LURA contract, and overseeing the provision of additional human resources to LEC, including the PIU, to ensure timely and professional management, oversight and reporting of environmental and social impacts and risks; and
3. Portions of the Management Support to LEC Sub-Activity, specifically, procuring and managing the MSC.

MCA-Liberia is the accountable entity and Permitted Designee for all other Projects, Activities, and Sub-Activities as further described in Annex II.



ANNEX II

RESPONSIBILITIES OF MCA-LIBERIA

MCA-Liberia is the accountable entity and Permitted Designee with respect to the following Projects, Activities, and Sub-Activities:

1. Portions of the Mt. Coffee Support Activity, specifically, implementing livelihoods improvement and other activities, carrying out a watershed management plan (including climate change and fisheries studies), and rehabilitating the raw water transmission line from the boundary of MCHPP to the White Plains Water Treatment Works;
2. LEC Training Center Activity;
3. Establishment of an Independent Regulator Sub-Activity;
4. Institutional Strengthening for the Environmental Protection Agency Sub-Activity;
5. Portions of the Management Support to LEC Sub-Activity, specifically, managing relevant technical evaluation panels, and procuring and managing the CMC; and
6. Roads Project.

While MCA-Liberia is the accountable entity and Permitted Designee with respect to the Projects, Activities, and Sub-Activities listed above (the “non-LEC Activities”), this Agreement establishes an operational partnership to support implementation of the LEC Activities and defines MCA-Liberia and LEC’s respective roles and responsibilities in implementing the LEC Activities. MCA-Liberia will enter into Implementing Entity Agreements with various Implementing Entities, including LEC, with respect to the implementation of the non-LEC Activities.



ANNEX III

MANAGEMENT OF THE MSC

Section 1.1 LEC's Role. As described in Annex I to this Agreement, LEC will serve as the accountable entity for parts of the Management Support to LEC Sub-Activity. In this role, LEC agrees to work collaboratively on all aspects of the MSC with MCA-Liberia and MCC. This includes, but is not limited to providing information to MCC and MCA-Liberia about agreements, contracts, plans, deliverables, and invoices generated by the Operator. These documents will be vital to making timely payments to the Operator and ensuring that MCA-Liberia is able to prepare its quarterly disbursement request. Should a request for funds outside of the annual management fee payments be envisaged (i.e. to support a performance success fee), LEC will provide three (3) months advance notice to MCA-Liberia to ensure this request is reflected in their ensuing quarterly disbursement request.

Section 1.2 MSC. LEC will procure and manage the MSC with the Operator pursuant to which, the Operator will operate the LEC system. The procurement will be conducted by the transaction advisor, Tetra Tech, and assisted by MCA-Liberia's Procurement Agent, as necessary. LEC will ensure that every aspect of the procurement is consistent with the MCC Program Procurement Guidelines.

(a) Review of the Operator's Performance. The CMC is expected to review all MSC-related plans and deliverables, advise MCA-Liberia and the board of directors of LEC on their technical merit and suggest areas for improvement. The purpose of CMC corporate reporting is to ensure that senior management and the board of directors of LEC understand how the Operator is performing relative to existing plans and budgets and its obligations under the MSC in particular periods. The CMC will be expected to bring the same pro-active approach to bear on the reporting mechanisms set out in the MSC, recommending improvements where helpful and changes to the plans and reports required under the MSC may require amendment to the MSC itself. The CMC will, from time to time, be expected to propose such amendments and assist in the amendment process. Amendments (when applicable) to the MSC are subject to the MCC Program Procurement Guidelines and will be facilitated by the MCA-Liberia Procurement Agent. As a signatory to the MSC, LEC will review and approve all reports, plans, and deliverables submitted by the Operator, in accordance with the MSC. If such reviews result in comments, such comments will be submitted to the Operator, with a copy provided to the CMC and MCA-Liberia.

(b) Oversight of MCHPP Operations, Maintenance, and Training Contract ("OMT"). LEC acknowledges that the performance of activities under the OMT contract, which is dated, August 23, 2016, and entered into between LEC and Hydro Operations International, SA in joint venture with AEE Power SA is subject to the Operator's supervision, monitoring, review and oversight, including access to all work papers, drafts, and any other OMT-related materials.

(c) MCHPP Project Implementation Unit. The Operator will oversee the activities of the PIU (including LEC's responsibilities during MCHPP contracts' defects notification periods), which are governed by a contract with Manitoba Hydro International ending December 31, 2017. If a PIU continues after the aforementioned contract ends, the Operator will also oversee that unit's work. If no contracted PIU continues after the aforementioned contract ends, the Operator will perform the duties of the PIU.

Section 1.3 Contract Monitoring Consultant. The CMC will serve and report to MCA-Liberia. The primary tasks of the CMC will be (i) to evaluate the performance of the parties to MSC, and (ii) to advise MCA-Liberia with respect to all related matters, enabling MCA-Liberia to make timely decisions not only with respect to all disbursements under the MSC (before they are made) but also any disagreement or dispute that may arise between the parties to the MSC. In order to ensure timely and accurate payments under the MSC, MCA-Liberia requires that the CMC review each request for payment made by the Operator under the MSC, including the Operator's degree of achievement of the performance indicators applicable to any such payment under the MSC. The CMC will also monitor the contractual commitments of LEC and make necessary recommendations to LEC and MCA-Liberia should LEC not maintain such commitments or undertake actions that undermine the objectives of this Agreement or the MSC.

Section 1.4 Payment to MSC. The CMC will review each report or deliverable the MSC requires of the Operator, as well as all invoices in accordance with the CMC's contract with MCA-Liberia.



Prior to MCA-Liberia making any payments to the Operator, the Operator shall first submit an invoice and supporting documentation to both LEC and MCA-Liberia. MCA-Liberia would then provide a copy of the invoice and supporting documentation to the CMC for the CMC to review. After conducting its review, the CMC shall issue a recommendation to MCA-Liberia and LEC as to whether payment should or should not be made as the case may be. LEC shall then promptly notify the Operator of the CMC's recommendation.

A handwritten signature in blue ink, located in the bottom right corner of the page. The signature is stylized and appears to be a combination of letters and numbers.

Annex IV

MONITORING AND EVALUATION RESPONSIBILITIES

Background:

MCA-Liberia has developed an M&E Plan. The objective of an effective M&E Plan is to:

1. Monitor to determine whether Projects are on track to achieve their intended results; and
2. Evaluate implementation strategies, provide lessons learned, determine cost effectiveness and estimate the impact of Compact interventions

The M&E Plan establishes indicators and targets to track whether Compact activities are achieving their intended results, reaching beneficiaries, and achieving impact over time toward the Compact's goal of reducing poverty through economic growth. LEC and MCA-Liberia will work together to ensure that data relating to the indicators under the LEC Mt. Coffee Activities are collected, processed, and reported in an accurate and timely manner.

The M&E Plan will be reviewed and modified periodically throughout the Compact in accordance with the MCC M&E Policy in a process led by MCA-Liberia's M&E unit.

Objective:

The objective of the M&E activities set forth in this annex is to provide high quality, accurate and timely data and analysis of the agreed upon indicators in the M&E Plan and Indicator Tracking Table, in order to enable regular monitoring and interim and final evaluations of LEC Mt. Coffee Activity results and to ensure regular, transparent and high quality reporting on LEC Mt. Coffee Activity progress to all stakeholders.

M&E Responsibilities

Provide monthly, quarterly, and annual data to report against relevant indicators in the M&E Plan

LEC will undertake the following:

- Assign a permanent and qualified M&E focal person to coordinate M&E requirements for the Compact, serve as liaison to MCA-Liberia and relevant consultants or contractors, and provide formal approval and validation of all M&E reports to MCA-Liberia;
- Provide personnel for training on M&E requirements for the Compact and data collection, reporting, quality, archiving of information;
- Provide MCA-Liberia with any necessary baseline data and assist with defining targets, where needed, for indicators in the M&E Plan; for any activities that have not begun, this information will be provided prior to the start of those activities;
- Collect data and report on agreed indicators to MCA-Liberia on a monthly, quarterly and/or annual basis per the M&E Plan;
- Maintain records or documents to verify data reported to MCA-Liberia;
- Attend, as necessary, regular meetings to review performance on key indicators and schedules for compact implementation, and recommend actions to be taken when progress is not in accordance with the targets in the M&E Plan; and
- Participate in periodic review and modification of the M&E Plan as needed to ensure the M&E Plan remains comprehensive and accurate.

LEC will undertake the following:

- Consult with MCA-Liberia and any independent evaluators contracted by MCA-Liberia or MCC, provide input and agree upon a rigorous evaluation design;
- Support independent evaluations, including ensuring that any agreed upon actions in support of the evaluation design are followed as planned to maintain conditions necessary to implement evaluations of the LEC Mt. Coffee Activities;
- Adhere to the agreed implementation plans for the LEC Mt. Coffee Activities in order to protect the approved designs of any independent evaluations;
- Provide timely input and updates to MCA-Liberia and any independent evaluators on key risks and developments that may have an impact on the evaluations of the LEC Mt. Coffee Activities; and
- Review evaluation deliverables and engage in discussions about implications for LEC's operations.

MCA-Liberia will undertake the following specific activities:

- MCA-Liberia will work with MCC and any independent evaluators hired by MCC in the development and implementation of the evaluations of the LEC Mt. Coffee Activities.
- Provide guidance and information relevant to the design and implementation of independent evaluations.

Deliverables

- LEC participation in consultations with independent evaluators hired by MCA-Liberia or MCC; and
- Data needed to facilitate independent evaluations.



MCA-Liberia will undertake the following:

- Develop any tools that are needed for data collection;
- In cooperation with MCC, LEC, and other implementing entities, MCA-Liberia will specify (and/or revise) indicators, baseline data and targets as needed in the M&E Plan in compliance with procedures defined in the M&E Plan and MCC's M&E Policy;
- Work with LEC's designated M&E focal person to monitor whether the LEC Mt. Coffee Activities are on track to achieve their intended results;
- Train relevant LEC staff on M&E requirements for the Compact and data collection, reporting, quality, archiving of information;

Deliverables

- Baseline data and proposed targets for indicators prior to the start of key activities, where applicable;
- Monthly, quarterly and/or annual data reports, as determined by the frequency outlined in the M&E Plan; and
- LEC participation in review meetings.

Conduct and ensure regular internal reviews of the quality of data submitted to MCA-Liberia and MCC, support independent data quality reviews contracted by MCA-Liberia, and implement improvements based on the findings of internal and independent data quality reviews

LEC will undertake the following:

- Assign as necessary, designated points of contact to ensure quality of data reporting from various LEC plants;
- Conduct and ensure regular reviews with MCA-Liberia's assistance of the quality of data submitted in connection with the M&E Plan;
- Support any data quality reviews conducted internally by MCA-Liberia or independent contractors, including meeting with reviewers and responding to ad hoc requests (including, but not limited to, providing access to relevant staff, to LEC IT systems, financial records, and information about physical assets);
- Develop action plans in collaboration with MCA-Liberia based on findings and recommendations from internal or independent data quality reviews; and
- Implement the action plans that respond to data quality review findings.

MCA-Liberia will undertake the following specific activities:

- Assist LEC in conducting regular internal data quality reviews;
- Hire consultants to conduct independent data quality reviews;
- Collaborate with LEC on developing action plans to address findings and recommendations from data quality reviews; and
- Support LEC in the implementation of action plans that respond to data quality review findings.

Deliverables

- LEC participation in consultations with MCA-Liberia or MCC-contracted Data Quality Review consultants; and
- Any other data that may relate to LEC's activities under the Compact.

Collaborate with independent evaluators to ensure that program implementation follows requirements for evaluations and evaluations receive any required support from LEC

