



REPUBLIC OF LIBERIA

MILLENNIUM CHALLENGE ACCOUNT

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Monrovia, Liberia



Press Release

Millennium Challenge Compact Closure Consistent with MCC's 5-Year Compact Lifespan— MCA-L clarifies

(Monrovia, January 26, 2021) On January 20, 2021, Millennium Challenge Corporation (MCC) and Millennium Challenge Account Liberia (MCA-L) marked the close of Liberia's Compact. The \$257 million Compact aimed to encourage economic growth and reduce poverty in Liberia by addressing the inadequate access to reliable and affordable electricity and the poor quality of road infrastructure.

The Compact invested in the rehabilitation of Liberia's largest power source--the Mt. Coffee Hydropower Plant, reconstruction of the LWSC raw water pipeline, support for LEC's management, training, and operational capacity, establishment of the Liberia Electricity Regulatory Commission, and development of a road asset management system to support road maintenance planning.

The closure of the Compact in Liberia is consistent with the fixed 5-year life span of MCC compacts. All Compacts have an end date, which is the fifth anniversary after the entry into force of a Compact. In the case of Liberia, the compact entered into force on January 20, 2016 and ended at midnight January 20, 2021.

MCA-L Chief Executive Officer, Monie R. Captan clarified that MCC compacts are five-year agreements through which the United States provides grants to partner countries to support programs to reduce poverty through economic growth.

However, Mr. Captan explained that MCC might grant a second five-year compact or even a concurrent regional compact to eligible countries once it has reviewed a country's performance on its first compact and determined that it has satisfactorily passed its scorecard. Regarding the just ended compact implementation, Mr. Captan said MCA-L was producing its compact completion report that will be shared with the Government of Liberia and other stakeholders.

He said once a country is deemed eligible by MCC, it enters into a period of compact development, which can take up to two years. After the compact development phase and the approval of a compact program, MCC and the beneficiary country will enter into negotiations leading to another signed five-year compact.

Liberia's eligibility for a second compact will depend on its performance on subsequent MCC scorecards and a performance evaluation on the implementation of the initial compact. Last year, Liberia improved its scorecard performance by passing 9 out of 20 indicators, compared to 8 out of 20 indicators in the previous year. If Liberia's performance continues to improve, eligibility for a second compact is possible since a country needs to pass 10 out of 20 indicators.

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