



Government of Liberia
MILLENNIUM CHALLENGE ACCOUNT LIBERIA
RESPONSES TO REQUEST FOR CLARIFICATION

Ref: Ref: 4A450/CA/015


MCA-Liberia Archiving System and Services

Following the advertisement and issuance of the Request for Quotation (RFQ) for the **MCA-Liberia Archiving System and Services**, Service Providers were provided the opportunity to ask questions and request clarifications related to the RFQ in writing up to April 28, 2020.

The following are the requests for clarification from the Service Providers and MCA-Liberia's responses:

#	Service Providers' Queries	MCA-Liberia's Responses
1.	The contractor is MCA and this request comes from Cardno, can you please let us know the relationship between the two entities for our good understanding?	<i>Cardno is the consultant procured by MCA-Liberia to provide the Procurement Agent Services to MCA-Liberia.</i>
2.	Reviewing the two phases work you have set, do we agree that quotations would have to be submitted in two steps (phase two pricing proposal after completion of phase one including volume assessment and archiving system design)?	<i>The quotations for both phases will comprise the total quotation price so the quotes for both phases will have to be submitted with the quotation prior the deadline for submission of quotations.</i>
3.	Is the one-page limit description of history pertinent to the required service part of Annex-3? If no, how many additional pages can we use for annex-3 which will include technical approach, methodology, and images/tables?	<i>There is no page limit or restrictions in responding to the RFQ per the requirement. However, it is important for Service Providers to provide only relevant information to the assignment as required per the requirements stipulated under Annex 1 of the RFQ.</i>
4.	CV's vary in length. Is there a restriction on the number of pages for each CV/Resume?	<i>There is no restriction on the length.</i>

#	Service Providers' Queries	MCA-Liberia's Responses
5.	The TOR specifies three key staff. Are we allowed to include CV's for other staff or just the three required?	<i>You are only required to submit CVs for the 3 key staff. You may include CVs for other non-key staff if you so desire.</i>
6.	The TOR requires an authorization letter. If the CEO is signing our submission, is the authorization letter still required?	<i>If the CEO is signing the submission, then he/she should state in the authorization letter that he/she is the entity's authorized representative.</i>
7.	What happens to the archive after the five (5) years mandatory archive date as of the compact end date?	<i>After the 5-year period, it will be up to the Government to determine what to do with the documents.</i>
8.	Is retrieval of documents inclusive of both manual and electronic versions of a document?	<i>Both electronic and manual documents should be able to be retrieved.</i>
9.	Is there any security required for accessing specific documents in the archive?	<i>No. There is no security required for accessing documents in the archive.</i>
10.	Is the archive supposed to operate as a record center where the archive staff retrieves the physical document for the user? Or, will each user be allowed to retrieve physical documents from their storage location?	<i>The archive will be a record center where an archive staff member will retrieve the documents for a person who is interested in a specific document.</i>
11.	What is the total estimated volume of documents (hard copy) for each type/category of records?	<i>We are estimating that the total amount of hard copy documents that the Service Provider will have to manually archive will fill up about 1000 box files that are 12x11x2.5 inches. To be clear, the Service Provider will be responsible to provide the box files. This total has not been disaggregated by type or category.</i>
12.	We are assuming that some hard copy documents already have electronic versions and thus no additional scanning would be required. What is the estimated number of documents that require scanning or digitizing?	<i>The Service Provider should operate under the assumption that all of the hard copy documents need to be scanned.</i>
13.	Are there hard copy documents for all soft-copy records and vice versa?	<i>No.</i>
14.	Are documents in box folders? Are box folders supposed to be archived or will all documents be removed and placed in archive boxes?	<i>Not all of the documents are currently in box folders. The Service Provider will be responsible to place the documents in a box file with the same dimensions stated in the answer</i>

#	Service Providers' Queries	MCA-Liberia's Responses
		<i>for Question 11. The box files will then be placed in archive boxes.</i>
15.	Who will provide the archive boxes?	<i>The Service Provider will be responsible to provide the archive boxes.</i>
16.	What standards are required for the boxes?	<p><i>The boxes should fit the following dimensions with two handles and sufficiently strong and sturdy to hold 5-6 full box files without falling apart.</i></p> 
17.	Please confirm that only pdf format of documents will be allowed in the archive.	<i>No. The types of electronic documents that need to be archived include, but are not limited to, pdf and excel documents.</i>
18.	Should electronic documents not in pdf format be converted to pdf files, and only the pdf version stored in the archive?	<i>Word and powerpoint documents will have to be converted to pdf and only the pdf version will ultimately be stored in the archive.</i>
19.	How are document currently filed? Are there specific naming conventions for various categories and types of documents?	<i>Besides the procurement documents, there is no specific filing system or naming conventions.</i>
20.	We are assuming that we have to submit a single hard copy of the user manual. Please confirm.	<i>Under the revised TOR, the Service Provider will be responsible to produce 10 hard copies of the user manual.</i>
21.	<p>There is a mention of bibliographic notes in a database.</p> <p>a. Please provide information on the database and record structure, type of information in the database and which database is being used?</p> <p>b. Is this information supposed to be part of the archive?</p>	<i>Under the revised TOR, there is no longer a requirement to input bibliographic notes.</i>

#	Service Providers' Queries	MCA-Liberia's Responses
	<p>c. Is there a link or relationship between the notes and the physical or electronic documents?</p> <p>d. How is the bibliographic information currently accessed?</p>	
22.	Is there a designated physical space to be used as the archive center? What are the dimensions (L x W x H) of the space?	<i>The Ministry of Foreign Affairs has agreed to provide a total area of approximately 480 square feet within its Bureau of Archives to store the Compact documents</i>
23.	Will storage shelves/racks be used or will the boxes be stacked from the floor to the ceiling and labelled?	<i>The box files should be placed in archive boxes that the Service Provider will be responsible to label but the boxes will not be stacked on the floor. They will be placed on shelves/racks.</i>
24.	If storage shelves/racks are to be used, will they be provided by the vendor or the client?	<i>This will be provided by MCA-Liberia.</i>
25.	Is there staff to manage storage and retrieval of physical documents after use? If yes, how many individuals? Are they at the same level or is there some supervisory level?	<i>There will be staff to manage the storage and retrieval of the documents. As mentioned in the TOR, assume five persons. The Ministry of Foreign Affairs will determine the level of staff.</i>
26.	Is there a 1-1 existing relationship between physical documents and their electronic versions, i.e., do you have electronic documents without physical documents? If there are no physical documents, are we supposed to generate them or state in the archive that no physical documents exist?	<i>There are electronic documents without hard copies so the Service Provider will be responsible to generate the hard copy by printing a color version of the electronic copy.</i>
27.	The project is grouped into three deliverables. The last deliverable is for documents created after completion of deliverables I and II. What is the estimated number of documents that could fall in category III? Will there be hard and soft copy versions of each document to be archived, hardcopy without softcopy, or softcopy without hardcopy?	<p><i>We are estimating that the total amount of hard copy documents that the Service Provider will have to manually archive will fill up about 1000 box files that are 12x11x2.5 inches. The documents have not been disaggregated to determine the amount that fall in Phase III.</i></p> <p><i>Each archived document should have a hard copy and soft copy.</i></p>
28.	What is computer literacy level of the proposed archive staff that will be trained?	<i>Assume that the archive staff has a very basic computer literacy.</i>
29.	What is the paper size of the physical documents?	<i>The size of the paper is generally A4.</i>

#	Service Providers' Queries	MCA-Liberia's Responses
30.	Are the physical documents in good condition or do they require careful handling?	<i>The physical documents are generally in good condition.</i>
31.	Are documents to be digitized/scanned stapled and bound or loose sheets? How are bound or stapled documents currently kept? In box files, manila folders, or files?	<i>The documents that are supposed to be digitized are not all kept in the same manner. Some are stapled, some are bound and some are loose sheets.</i> <i>Some of the documents are in box files, some are in folders and some are in files.</i>
32.	Would it be possible to view some of the documents prior to our final submission?	<i>Yes. Sample documents can be provided. See attachments.</i>
33.	Can we add additional lines to the expenses section of the price quotation? There are only two rows for professional fees and only two for expenses.	<i>Annex 2 is a template which Service Providers are required to complete with their offer and the required information in responding to the RFQ. As a result, there is no restriction on the number of rows for Professional Fees and Expenses.</i>
34.	A server and other networking equipment is required for storage of the electronic records. Will these be provided by MCA-L or the vendor?	<i>The server and other networking equipment required for the storage of the electronic records will be provided by the Service Provider.</i>
35.	Can the electronic document management system be developed as tailored solution or should it be an off the shelf existing system?	<i>The system should be tailored to meet all of the TOR archiving requirements.</i>
36.	Is it possible to have an high level estimation of number of hard documents (paper) to be manually stored/classified in the physical archive?	<i>We are estimating that the total amount of hard copy documents that the Service Provider will have to manually archive will fill up about 1000 box files that are 12x11x2.5 inches.</i>
37.	Is it possible to have a high level estimation of number of documents and pages to be digitized (scan, index) and archived electronically into the electronic document management system?	<i>We are estimating that the total amount of hard copy documents that the Service Provider will have to digitize will be enough to fill up about 1000 box files that are 12x11x2.5 inches.</i>

#	Service Providers' Queries	MCA-Liberia's Responses
38.	Is it possible to have an high level estimation of bibliographic notes to be manually inputted in the database?	<i>Under the revised TOR, there is no longer a requirement to input bibliographic notes.</i>
39.	Can you please confirm that in the quotation estimation, in addition to the professional fees needed to perform the services (project costs), it shall be also included the costs of the procurement of the hardware and software necessary to perform the expected services?	<i>The quotation amount should factor in the professional fees and the Service Provider's costs for obtaining the equipment necessary to undertake the assignment.</i>



**AN ACT TO RATIFY THE PROGRAM IMPLEMENTATION AGREEMENT
BETWEEN THE REPUBLIC OF LIBERIA ACTING THROUGH THE
MINISTRY OF FINANCE AND DEVELOPMENT PLANNING AND THE
UNITED STATES OF AMERICA ACTING THROUGH THE
MILLENNIUM CHALLENGE CORPORATION**

APPROVED OCTOBER 23, 2015

**PUBLISHED BY AUTHORITY
MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA**

PRINTED OCTOBER 26, 2015



The Liberian Senate

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2015

FOURTH SESSION OF THE FIFTY-THIRD LEGISLATURE OF THE REPUBLIC OF LIBERIA.

SCHEDULE OF SENATE'S ENROLLED BILL NO. 18 ENTITLED:

“AN ACT TO RATIFY THE PROGRAM IMPLEMENTATION AGREEMENT
BETWEEN THE REPUBLIC OF LIBERIA ACTING THROUGH THE
MINISTRY OF FINANCE AND DEVELOPMENT PLANNING AND THE
UNITED STATES OF AMERICA ACTING THROUGH THE MILLENNIUM
CHALLENGE CORPORATION”

PRESENTED TO THE PRESIDENT OF THE REPUBLIC OF LIBERIA FOR
EXECUTIVE APPROVAL.

APPROVED THIS 23rd DAY OF OCTOBER A.D. 2015

AT THE HOUR OF 5:25 P.M.



THE PRESIDENT OF THE REPUBLIC OF LIBERIA

AN ACT TO RATIFY THE PROGRAM IMPLEMENTATION AGREEMENT BETWEEN THE REPUBLIC OF LIBERIA ACTING THROUGH THE MINISTRY OF FINANCE AND DEVELOPMENT PLANNING AND THE UNITED STATES OF AMERICA ACTING THROUGH THE MILLENNIUM CHALLENGE CORPORATION

It is enacted by the Senate and House of Representatives of the Republic of Liberia in Legislature assembled:

SECTION I:

That from and immediately upon the passage of this Act, “AN ACT TO RATIFY THE PROGRAM IMPLEMENTATION AGREEMENT BETWEEN THE REPUBLIC OF LIBERIA ACTING THROUGH THE MINISTRY OF FINANCE AND DEVELOPMENT PLANNING AND THE UNITED STATES OF AMERICA ACTING THROUGH THE MILLENNIUM CHALLENGE CORPORATION” as herein recited below word for word in the equally authentic English version be, and the same is hereby ratified.

SECTION II: SHORT TITLE:

This Act shall also be cited as “THE MCC PROGRAM IMPLEMENTATION AGREEMENT”

SECTION III:

That any or all obligations, covenants, terms and conditions as contained in the above mentioned Act shall be carried to full completion unless otherwise modified, amended, or repealed.

SECTION IV EFFECTIVE DATE:

This Act shall take effect immediately upon publication into hand-bill.

ANY LAW TO THE CONTRARY NOTWITHSTANDING

2015


FOURTH SESSION OF THE FIFTY-THIRD
LEGISLATURE OF THE REPUBLIC OF LIBERIA

SENATE'S ENGROSSED BILL NO. 11 ENTITLED:

"An Act to Ratify the Program Implementation Agreement between the Republic of Liberia Acting through the Ministry of Finance and Development Planning and the United States of America acting through the Millennium Challenge Corporation"

On motion, Bill read. On motion, the Bill was adopted on its first reading and sent to Committee Room on Tuesday, October 6, 2015 at 13:50 G.M.T.

On motion, Bill taken from the Committee Room for its second reading. On motion, under the suspension of the rule, the second reading of the Bill constituted its third and final reading and the Bill was adopted, passed into the full force of the law and ordered engrossed today, Tuesday, October 13, 2015 @ 14:54 G.M.T.



SECRETARY, LIBERIAN SENATE, R.L.

-2015-

FOURTH SESSION OF THE FIFTY-THIRD LEGISLATURE
OF THE REPUBLIC OF LIBERIA

HOUSE'S ENDORSEMENT TO SENATE'S ENGROSSED BILL
NO. 11 ENTITLED:

"AN ACT TO RATIFY THE PROGRAM IMPLEMENTATION AGREEMENT BETWEEN THE REPUBLIC OF LIBERIA ACTING THROUGH THE MINISTRY OF FINANCE AND DEVELOPMENT PLANNING AND THE UNITED STATES OF AMERICA ACTING THROUGH THE MILLENNIUM CHALLENGE CORPORATION"

On motion, Bill read. On motion, under the suspension of the rule, the first reading of the Bill constituted its second, third and final reading and the Bill was adopted, passed into the full force of the law, and ordered engrossed today, Thursday, October 15, 2015 @ 14:25 G.M.T.



CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.

2015

ATTESTATION

**“AN ACT TO RATIFY THE PROGRAM IMPLEMENTATION AGREEMENT
BETWEEN THE REPUBLIC OF LIBERIA ACTING THROUGH THE
MINISTRY OF FINANCE AND DEVELOPMENT PLANNING AND THE
UNITED STATES OF AMERICA ACTING THROUGH THE MILLENNIUM
CHALLENGE CORPORATION”**

PP *ah*

**VICE PRESIDENT OF THE REPUBLIC OF LIBERIA/PRESIDENT OF
THE SENATE**



THE SECRETARY, LIBERIAN SENATE


THE SPEAKER, HOUSE OF REPRESENTATIVES

Mildred W. Layton
THE CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.

PROGRAM IMPLEMENTATION AGREEMENT

BETWEEN

THE UNITED STATES OF AMERICA,

ACTING THROUGH

THE MILLENNIUM CHALLENGE CORPORATION

AND

THE REPUBLIC OF LIBERIA,

ACTING THROUGH THE MINISTRY OF FINANCE AND DEVELOPMENT

PLANNING

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1. GENERAL RESPONSIBILITIES OF THE PARTIES.....	1
Section 1.1 Definitions.....	1
Section 1.2 Role of the Government.....	1
Section 1.3 Role of MCA-Liberia.....	3
Section 1.4 Role of LEC	5
Section 1.5 Taxation	7
ARTICLE 2. IMPLEMENTATION FRAMEWORK.....	7
Section 2.1 Implementation Plan	7
Section 2.2 Fiscal Accountability Plan	8
Section 2.3 M&E Plan	8
Section 2.4 Environmental and Social Performance Plans.....	9
Section 2.5 Social Inclusion and Gender Integration.....	9
Section 2.6 MCC Program Procurement Guidelines and MCC Approval of Grants.....	9
Section 2.7 Notice to Providers; Incorporation.....	10
Section 2.8 Reports; Notices.....	10
Section 2.9 Transactions Subject to MCC Approval	12
Section 2.10 Role of Certain Entities in Implementation	13
Section 2.11 Publicity and Transparency.....	14
Section 2.12 Branding and Enforcement	15
ARTICLE 3. DISBURSEMENT OF MCC FUNDING.....	16
Section 3.1 Disbursement Process	16
Section 3.2 Conditions Precedent to the Initial Disbursement of MCC Funding.....	17
Section 3.3 Conditions Precedent to Each Disbursement of MCC Funding	18
Section 3.4 Authorized Expenditures	20
ARTICLE 4. ENTRY INTO FORCE OF THIS AGREEMENT; CONSEQUENCES OF COMPACT TERMINATION, SUSPENSION AND EXPIRATION	20
Section 4.1 Entry into Force of this Agreement	20
Section 4.2 Consequences of Compact Termination, Suspension or Expiration.....	20
ARTICLE 5. GENERAL PROVISIONS	22
Section 5.1 Representatives	22
Section 5.2 Communications	22
Section 5.3 Assignments by the Government.....	22
Section 5.4 Amendment; Waivers	22
Section 5.5 Attachments	22
Section 5.6 Inconsistencies	23
Section 5.7 Termination of this Agreement.....	23
Section 5.8 Survival	23

Section 5.9	Information Provided to MCC	23
Section 5.10	Governing Law	23
Section 5.11	Counterparts; Electronic Delivery	23
<u>Annex I:</u>	Definitions	
<u>Annex II:</u>	Taxes	
<u>Annex III:</u>	Implementation Framework Applicable to the Mt. Coffee Activities	
<u>Annex IV:</u>	Disbursement of MCC Funding Applicable to the Mt. Coffee Activities	
<u>Annex V:</u>	Conditions Precedent to MCC Funding	

PROGRAM IMPLEMENTATION AGREEMENT

PREAMBLE

This PROGRAM IMPLEMENTATION AGREEMENT (this “**Agreement**”) is between the United States of America, acting through the Millennium Challenge Corporation, a United States government corporation (“**MCC**”), and the Republic of Liberia (“**Liberia**” or the “**Government**”), acting through the Ministry of Finance and Development Planning (individually, a “**Party**” and collectively, the “**Parties**”).

Recalling that the Millennium Challenge Compact between the United States of America, acting through MCC, and the Government signed on October 2, 2015 (the “**Compact**”), sets forth the general terms on which MCC will provide assistance of up to US\$256,726,000 to the Government for a program to reduce poverty through economic growth in Liberia;

Recalling that the Government wishes to designate MCA-Liberia and LEC to carry out certain rights and obligations of the Government under the Compact and related agreements; and

Recognizing that the Parties wish to specify further the terms for implementing the Compact and the Program;

The Parties hereby agree as follows:

ARTICLE 1.

GENERAL RESPONSIBILITIES OF THE PARTIES

Section 1.1 Definitions.

Capitalized terms used in this Agreement and not defined in this Agreement have the meanings provided in the Compact. All other capitalized terms have the meanings provided in Annex I.

Section 1.2 Role of the Government.

(a) Government Responsibilities. The Government will promptly take all necessary or appropriate actions to carry out all of its obligations under the Compact, this Agreement, and any other Supplemental Agreement (including any post-Compact Term activities, audits or other responsibilities), and to delegate its rights and responsibilities to entities, including MCA-Liberia, and LEC, adequate to enable them (each, a “**Permitted Designee**”) to oversee and manage the implementation of the Program on behalf of the Government.

(b) Government Undertakings. The Government hereby affirms as follows:

(i) Impoundment; Liens or Encumbrances. The Government will ensure that (A) no Program Assets are subject to any impoundment, rescission, sequestration, liquidation or to any provision of law now or hereafter in effect in Liberia that would have the effect of allowing any such impoundment, rescission or sequestration and (B) no Program Asset is subject to any lien, attachment, enforcement of judgment, pledge, or encumbrance of any kind (each, a “**Lien**”), except with MCC’s prior written approval. In the event any Lien not so approved is imposed, the Government will promptly seek the release of such Lien and, if such Lien is required by a final and non-appealable court order, will pay any amounts due in order to obtain such release; **provided, however**, that the Government will not use MCC Funding or any Program Assets to satisfy any such obligation.

(ii) Disposal of Program Assets Consisting of Real Property. The Government will ensure that no Program Asset consisting of real property is (A) subject to any lease or sub-lease arrangement, in whole or in part or (B) sold, donated or otherwise disposed of, in whole or in part; except, in each of the foregoing cases, with MCC’s prior written approval. In addition, any Program Asset consisting of real property that is retained by MCA-Liberia, subject to the terms of the Program Closure Guidelines, after the expiration or termination of the Compact will be subject to a reversionary interest of MCC for a period of five (5) years commencing on the last day of the closure period; and if at any time during that five-year period, the Government wishes to sell the real property or use it for a purpose that is not related to the Program or does not continue to further the Program objectives, the Government will compensate MCC for its interest in the real property by paying to MCC an amount equal to the fair market value of MCC’s reversionary interest in the real property determined at such time.

(iii) Environmental and Social Performance. Unless MCC and the Government agree otherwise in writing, the Government will ensure that all Projects and Activities undertaken, funded or otherwise supported in whole or in part (directly or indirectly) by MCC Funding under the Compact comply with the MCC Environmental Guidelines, including the environmental and social performance standards set forth in the *Performance Standards on Environmental and Social Sustainability of the International Finance Corporation* (as in effect from time to time, the “**IFC Performance Standards**”) that have been incorporated by reference into the MCC Environmental Guidelines, or the World Bank Environmental and Social Safeguard Policies, as the case may be. The Government also will ensure that the Projects and Activities comply with all national environmental laws and regulations, licenses and permits, except to the extent such compliance would be inconsistent with the Compact. Unless MCC agrees otherwise in writing, the Government will fund all necessary costs of environmental and social mitigation measures (including, without limitation, costs of resettlement) not specifically provided for, or that exceed the MCC Funding specifically allocated for such costs in, both the Detailed Financial Plan and the Mt. Coffee Detailed Financial Plan for any Project or Activity.

(iv) Social Inclusion and Gender Integration. Unless MCC and the Government agree otherwise in writing, the Government will ensure that all Projects and Activities undertaken, funded, or otherwise supported in whole or in part (directly or indirectly)

by MCC Funding comply with the MCC Gender Policy and the MCC Gender Integration Guidelines.

Section 1.3 Role of MCA-Liberia.

(a) Designation of MCA-Liberia.

(i) Pursuant to Section 3.2(b) of the Compact, the Government will designate MCA-Liberia, an agency of the Government (“***MCA-Liberia***”), as the primary agent of the Government to implement the Program and to exercise and perform the Government’s right and responsibility to oversee, manage and implement the Program, including without limitation, managing the implementation of Projects and Activities, allocating resources and managing procurements (the “***Designated Rights and Responsibilities***”). The Parties note that the Government remains ultimately responsible for the performance of the Government’s obligations under or in relation to the Compact and this Agreement.

(ii) The Government will ensure that MCA-Liberia is and remains throughout the Compact Term duly organized, sufficiently staffed and empowered to exercise the Designated Rights and Responsibilities.

(iii) The “Accountable Entity” referenced in the Program Guidelines will be deemed to refer to MCA-Liberia, and all obligations assigned to the “Accountable Entity” in the Program Guidelines will be obligations of MCA-Liberia.

(b) Additional Government Undertakings with Respect to MCA-Liberia. The Government hereby affirms to MCC as follows:

(i) Power and Authorization. MCA-Liberia has the power and authority to (A) bind the Government to the full extent of the Designated Rights and Responsibilities, (B) execute and deliver each agreement, certificate, or instrument contemplated by this Agreement, the Compact, any other Supplemental Agreement or the Program Guidelines and (C) perform its obligations under this and each such other agreement, certificate or instrument contemplated by this Agreement, the Compact, any other Supplemental Agreement, any Implementation Letter or the Program Guidelines.

(ii) Government Responsibilities. MCA-Liberia (A) will carry out the Designated Rights and Responsibilities (including all obligations specified as MCA-Liberia obligations in the Compact, this Agreement or any other Supplemental Agreement) with due care, efficiency and diligence in conformity with sound technical, financial and management practices, and in conformity with the Compact, this Agreement, any other Supplemental Agreement and the Program Guidelines, (B) except as provided in Section 2.10 or with respect to an Implementing Entity, will not assign, delegate or otherwise transfer any of the Designated Rights and Responsibilities without the prior written consent of MCC and (C) will not undertake any activities, duties or responsibilities other than the Designated Rights and Responsibilities without the prior written consent of MCC.

(iii) Government Representations. MCA-Liberia will confirm each representation that it makes on behalf of the Government in any agreement, certificate or instrument delivered by MCA-Liberia with all necessary Permitted Designees prior to providing such representation to MCC.

(iv) Autonomy. The Government will ensure that (A) no decision of MCA-Liberia is modified, supplemented, unduly influenced or rescinded by any governmental authority, except by a final and non-appealable judicial decision and (B) the authority of MCA-Liberia will not be expanded, restricted or otherwise modified, except in accordance with this Agreement and the Compact.

(v) Governance of MCA-Liberia. MCA-Liberia will adopt internal rules and regulations or bylaws, in form and substance satisfactory to MCC (the “**Bylaws**”). MCA-Liberia will conduct its operations and management in accordance with the Governing Documents (including the Bylaws) and the Governance Guidelines.

(vi) Funded Agreements; General Provisions Annex. MCA-Liberia will provide the Fiscal Agent (and MCC if it so requests) a copy of each agreement that is funded (directly or indirectly) with MCC Funding (each, a “**Funded Agreement**”), regardless of whether MCC has approval rights with respect to such agreement. Unless otherwise instructed by MCC, MCA-Liberia will include in each Funded Agreement (A) a covenant that the counterparty to such agreement (each, a “**Counterparty**”) will comply with (i) the General Provisions Annex and (ii) any instruction received by such Counterparty from MCC regarding the performance by such Counterparty of the terms of the General Provisions Annex notwithstanding any other instruction given by MCA-Liberia and (B) a right for MCA-Liberia to terminate such Funded Agreement if such Counterparty fails to comply with the General Provisions Annex or any such instruction of MCC.

(vii) Insurance; Performance Guaranties. MCA-Liberia will, to MCC’s satisfaction, cause all Program Assets to be insured (including, without limitation, through self-insurance) and will arrange such other appropriate insurance to cover against risks or liabilities associated with the operations of the Program, including by requiring Providers to obtain adequate insurance and to post adequate performance bonds or other guaranties. With MCC’s prior consent, MCC Funding may be used to pay the costs of obtaining such insurance. MCA-Liberia (or, as appropriate and with MCC’s prior approval, another entity) will be named as the payee on any such insurance and the beneficiary of any such guaranty or bonds. If not already named as the insured party, MCA-Liberia (and MCC, if it so requests) will be named as additional insureds on any such insurance. The Government will promptly notify MCC of the payment of any proceeds from claims paid under such insurance or guaranty, and will ensure that such proceeds will be used to replace or repair any lost or damaged Program Assets; **provided, however,** that, at MCC’s election, such proceeds will be deposited in a Permitted Account as designated by MCA-Liberia or as otherwise directed by MCC.

(viii) MCA-Liberia Indemnity. If MCA-Liberia is held liable under any indemnification or other similar provision of any agreement, then the Government will pay such

indemnity in full on behalf of MCA-Liberia and will not use MCC Funding or any Program Assets to satisfy such obligation. In addition, the Government will indemnify and hold harmless each member of MCA-Liberia's Board (including any Observer), each member of any Stakeholder Committee and each of MCA-Liberia's Key Staff and employees from any claim, loss, action, liability, cost, damage or expenses incurred by such person in the performance of its duties on behalf of MCA-Liberia, ***provided, however***, that the Government will have no obligation to indemnify any such person if and to the extent that any such claims, losses, actions, liabilities, costs, damages or expenses are attributable to the fraud, gross negligence or willful misconduct of such person; and ***provided, further***, that the Government will not use MCC Funding or any Program Assets to satisfy its obligations under this Section 1.3(b)(viii).

Section 1.4 Role of LEC.

(a) Without prejudice or limitation to the Government's designation of MCA-Liberia as the primary agent of the Government for purposes of the Program and to exercise the Designated Rights and Responsibilities pursuant to Section 3.2(b) of the Compact and Section 1.3 of this Agreement, the Government has designated LEC as the entity to exercise and perform the Designated Rights and Responsibilities (the "***Mt. Coffee Designated Rights and Responsibilities***") in respect of the Mt. Coffee Rehabilitation Activity and certain aspects of the Mt. Coffee Support Activity (the "***Mt. Coffee Activities***"). LEC has the authority to bind the Government with regard to the Mt. Coffee Activities. The designation to LEC by this Section 1.4(a) will not relieve the Government or MCA-Liberia of any obligations under the Compact, this Agreement or any related agreement, for which the Government remains fully responsible. For the avoidance of doubt, references to LEC include the board of directors of LEC, the management of LEC, and the PIU.

(b) The Government will ensure that LEC (1) is and remains throughout the Compact Term or such other term as agreed between the Government and MCC, duly organized, sufficiently staffed and empowered to exercise the Mt. Coffee Designated Rights and Responsibilities and (2) coordinates with MCA-Liberia with respect to the Mt. Coffee Activities.

(c) The Government will ensure that LEC and MCA-Liberia execute an implementation agreement, in form and substance satisfactory to MCC (the "***Mt. Coffee Implementation Agreement***"), pursuant to which, among other things, LEC will agree:

(i) to implement the Mt. Coffee Activities in accordance with (A) the Compact, (B) this Agreement, (C) any agreement governing the use of MCC Funding, (D) the Financial Management Manual, (E) the Mt. Coffee Implementation Plan, (F) the Audit Plan and (G) the M&E Plan and Social and Gender Integration Plan to the extent that they are applicable to the Mt. Coffee Activities;

(ii) to exercise certain of its rights and discretions under this Agreement and other agreements with Pre-Existing Donors concerning the rehabilitation of MCHPP (including certain rights to grant any consent or waiver thereunder or agree to any amendment, supplement

or modification thereof) only with the prior consent of MCC or in compliance with the instructions of MCC; and

(iii) to provide certain information, disbursement requests, reports and other notices to MCC and other stakeholders in respect of the implementation of the Mt. Coffee Activities.

(d) Additional Government Undertakings with Respect to LEC. The Government hereby affirms to MCC as follows:

(i) Implementation Agreement. The Government will ensure that LEC and MCA-Liberia each complies with its respective obligations under the Mt. Coffee Implementation Agreement.

(ii) Power and Authorization. LEC has the power and authority to (A) bind the Government to the full extent of the Mt. Coffee Designated Rights and Responsibilities; (B) execute and deliver the Mt. Coffee Implementation Agreement and any amendments, supplements or modifications thereto; (C) execute and deliver each agreement, certificate, or instrument contemplated by this Agreement, the Mt. Coffee Implementation Agreement, the Compact, or any other Supplemental Agreement and (D) perform its obligations under this and each such other agreement, certificate, or instrument contemplated by this Agreement, the Mt. Coffee Implementation Agreement, the Compact, or any other Supplemental Agreement.

(iii) Government Responsibilities. LEC (A) will properly and fully carry out the Mt. Coffee Designated Rights and Responsibilities (including all obligations specified as LEC's obligations in this Agreement, the Mt. Coffee Implementation Agreement, and any other Supplemental Agreement) and (B) will not assign, delegate or otherwise transfer any of the Mt. Coffee Designated Rights and Responsibilities without the prior written consent of MCC.

(iv) Government Representations. LEC will confirm each representation that it makes on behalf of the Government in any agreement, certificate or instrument delivered by LEC with all necessary Permitted Designees prior to providing such representation to MCC.

(v) Insurance. LEC will, to MCC's satisfaction, cause all Program Assets under the Mt. Coffee Activities to be insured in accordance with the Mt. Coffee Implementation Agreement. With MCC's prior consent, MCC Funding may be used to pay the costs of obtaining such insurance. The proceeds paid under any such insurances will be applied in accordance with the Mt. Coffee Implementation Agreement, including, as the case may be, to refund to MCC the MCC Funding used to acquire the applicable assets of the Mt. Coffee Activities.

(vi) LEC Indemnity. If LEC is held liable under any indemnification or other similar provision of any agreement entered into in connection with the Mt. Coffee Designated Rights and Responsibilities or otherwise in connection with the Mt. Coffee Activities, then the Government will pay such indemnity in full on behalf of LEC and will do so with national funds

and no MCC Funding, accrued interest thereon, or any Program Asset may be applied by the Government in satisfaction of its obligations under this Section 1.4(d)(vi).

Section 1.5 Taxation.

Unless otherwise agreed by MCC in writing, set forth in Annex II are procedures that the Government will promptly implement to effectuate the relief from Taxes contemplated by Section 2.6 of the Compact.

ARTICLE 2.

IMPLEMENTATION FRAMEWORK

The implementation framework described in Article 2 applies to the entire Program except for the Mt. Coffee Activities. The implementation framework for the Mt. Coffee Activities is set forth in Annex III.

Section 2.1 Implementation Plan. The framework for implementation of the Program will be further elaborated in a set of documents, in form and substance approved by MCC, consisting of (a) a Work Plan, (b) a Detailed Financial Plan, (c) an Audit Plan and (d) a Procurement Plan (each, an “**Implementation Plan Document**” and collectively the “**Implementation Plan**”). MCA-Liberia will submit its proposed Implementation Plan for review and approval by MCC before the initial Disbursement of MCC Funding and at least on an annual basis thereafter (or in such other interval as may be required by the Program Guidelines). MCC will review the proposed Implementation Plan and as necessary may request MCA-Liberia to submit clarifications or adjustments. MCA-Liberia will submit an updated Implementation Plan or updated Implementation Plan Document during any quarter in which significant changes or modifications are made to a Project or to the Program, or when MCA-Liberia determines that the expected results, targets and milestones for the specified year are not likely to be achieved; **provided, however**, that an updated Detailed Financial Plan will be submitted each quarter. In such instances, MCA-Liberia will submit to MCC for approval a proposed revised Implementation Plan or updated Implementation Plan Document (as applicable) on the same date as the next Periodic Report is due. MCA-Liberia will ensure that the implementation of the Program is conducted in accordance with the Implementation Plan.

(a) Work Plan. MCA-Liberia will develop and implement a work plan, in form and substance satisfactory to MCC, for the overall administration of the Program (the “**Work Plan**”).

(b) Detailed Financial Plan. The Multi-Year Financial Plan Summary for the Program, which is set forth in Annex II to the Compact, shows the estimated annual contribution of MCC Funding to administer, monitor and evaluate the Program and to implement each Project

(the “**Multi-Year Financial Plan**”). Except as MCC agrees otherwise in writing, MCA-Liberia will develop and implement for each quarter for the upcoming year and on an annual basis for each year of the remaining years of the Compact, a detailed financial plan in accordance with the Reporting Guidelines, setting forth funding requirements for the Program (including administrative costs) and for each Project, broken down to the sub-activity level (or lower, where appropriate), and projected both on a commitment and cash requirement basis (each, a “**Detailed Financial Plan**”).

(c) Audit Plan. MCA-Liberia will develop and implement a plan, in accordance with the Audit Guidelines, for the audit of the expenditures of the entities that are subject to audit pursuant to the Audit Guidelines (the “**Audit Plan**”). All expenditures under the Compact will be audited during the Compact Term. For the purposes of the Audit Plan, MCA-Liberia, as the primary agent of the Government to implement the Program, will include those expenditures under the Mt. Coffee Activities such that one Audit Plan will cover all expenditures under the Compact. The Audit Plan will be in form and substance satisfactory to MCC and will be developed no later than sixty (60) days before the end of the first period to be audited.

(d) Procurement Plan. MCA-Liberia will prepare periodic procurement plans for acquiring the goods, works, and consultant and non-consultant services needed to implement the Compact (each, a “**Procurement Plan**”). Each Procurement Plan will be prepared and updated in accordance with the MCC Program Procurement Guidelines. In addition, no later than six months after the Compact enters into force as provided in Article 7 of the Compact, MCA-Liberia will develop and implement a bid challenge system (“**BCS**”) that provides suppliers, contractors and consultants that are interested parties the ability to seek review of procurement actions and decisions. The organization, rules and procedures of such BCS will be subject to MCC approval. Upon MCC’s approval of the BCS, MCA-Liberia will publish the BCS on the MCA-Liberia website.

Section 2.2 Fiscal Accountability Plan. Except as MCC agrees otherwise in writing, MCA-Liberia will develop and implement a manual (as approved by MCC) setting forth the principles, mechanisms and procedures (the “**Fiscal Accountability Plan**”) that MCA-Liberia will use to ensure appropriate fiscal accountability for the use of MCC Funding, including the process to ensure that open, fair, and competitive procedures will be used in a transparent manner in the administration of grants or cooperative agreements and in the procurement of goods, works and services. The Fiscal Accountability Plan will also include, among other things, requirements with respect to (a) budgeting, (b) accounting, (c) cash management, (d) financial transactions (receipts and payments), (e) opening and managing Permitted Accounts, (f) personnel and payroll, (g) travel and vehicle use, (h) asset and inventory control, (i) audits and (j) reporting. The Fiscal Accountability Plan will be revised periodically, subject to review and approval by MCC.

Section 2.3 M&E Plan. Unless MCC agrees otherwise in writing, prior to the fourth Disbursement of MCC Funding for all Projects except for the Mt. Coffee Rehabilitation Activity, MCA-Liberia will develop and implement an M&E Plan that will serve as the primary governing document for monitoring and evaluation activities for the Program over the Compact Term. The

M&E Plan will be developed, implemented and updated as the Program is further defined and in accordance with the MCC Policy for Monitoring and Evaluation of Compacts and Threshold Programs. As noted in Section 1.3 of Annex III, a version of the M&E Plan for the Mt. Coffee Activities will be developed and implemented within 90 days of EIF.

Section 2.4 Environmental and Social Performance Plans. In accordance with Section 1.2(b)(iii), MCA-Liberia will ensure that activities undertaken, funded or otherwise supported in whole or in part (directly or indirectly) by MCC Funding comply with the MCC Environmental Guidelines, including the IFC Performance Standards that are incorporated by reference therein. Specifically, MCA-Liberia will: (i) cooperate with or complete, as the case may be, any ongoing environmental and social impact assessments, and if necessary, undertake and complete any additional environmental and social assessments and analyses, such as environmental and social management plans, environmental and social audits, resettlement policy frameworks, and resettlement action plans required under the laws of Liberia, the MCC Environmental Guidelines, this Agreement, the Compact, any other Supplemental Agreement or the Program Guidelines, or as otherwise required by MCC, each in form and substance satisfactory to MCC; (ii) ensure that Project or Activity-specific environmental and social management plans are developed and all relevant measures contained in such plans are integrated into project design, the applicable procurement documents and associated finalized contracts, in each case, in form and substance satisfactory to MCC and (iii) implement to MCC's satisfaction appropriate environmental and social mitigation measures identified in such assessments or plans or developed to address environmental and social issues identified during Compact implementation.

Section 2.5 Social Inclusion and Gender Integration. To ensure social inclusion and gender integration across the Projects and Activities, address human trafficking, and ensure compliance with the MCC Gender Policy and the MCC Gender Integration Guidelines, MCA-Liberia will develop a comprehensive social and gender integration plan ("***Social and Gender Integration Plan***") that, at a minimum, (i) identifies approaches for regular, meaningful and inclusive consultations with women and other vulnerable and/or underrepresented groups; sets forth strategies for consolidating the findings and recommendations of Project-specific social and gender analyses into final Project designs; and specifies actions to be taken during the Compact Term to meet the social inclusion and gender equality objectives for the Projects and (ii) ensures, through monitoring and coordination during Compact implementation, that final Activity designs, construction tender documents and implementation plans are consistent with and incorporate the outcomes of the social and gender analyses. MCA-Liberia will, on an annual basis, review and update the Social and Gender Integration Plan as needed to reflect lessons learned and Project-specific analysis.

Section 2.6 MCC Program Procurement Guidelines and MCC Approval of Grants. In accordance with Section 3.6 of the Compact:

(a) MCA-Liberia will comply with the MCC Program Procurement Guidelines in the procurement (including solicitation) of all goods, works and services and the award and administration of contracts in furtherance of the Compact. In addition, the Government will

ensure that any bid challenges are conducted in accordance with the MCC Program Procurement Guidelines and the BCS; and

(b) Unless MCC otherwise consents in writing, MCA-Liberia will ensure that grants awarded to any non-Government entity in furtherance of the Program are awarded and administered pursuant to an open, fair and competitive procedure administered in a transparent manner.

Section 2.7 Notice to Providers; Incorporation.

(a) MCA-Liberia will notify all Providers (and all other entities or individuals receiving MCC Funding in connection with the Program) of the requirements of Section 2.5 of the Compact and will include, or ensure the inclusion of, the requirements of Section 2.5 of the Compact in all agreements with a Provider if MCC is not a party to such agreements.

(b) MCA-Liberia will include, or ensure the inclusion of, the requirements of:

(i) Sections 2.1(c) and 2.8(c) of this Agreement and Section 3.7 of the Compact and paragraphs (b)(i) and (ii), (c) and (d) of Section 3.8 of the Compact in all agreements financed with MCC Funding between the Government or any entity of the Government, on the one hand, and a Covered Provider that is not a non-profit organization domiciled in the United States, on the other hand;

(ii) Section 3.7 of the Compact and paragraphs (b)(i) and (ii) and (d) of Section 3.8 of the Compact in all agreements financed with MCC Funding between the Government or any entity of the Government, on the one hand, and a Provider that does not meet the definition of a Covered Provider, on the other hand;

(iii) Section 3.7 of the Compact and paragraphs (b)(i) and (ii), (c) and (d) of Section 3.8 of the Compact in all agreements financed with MCC Funding between the Government or any entity of the Government, on the one hand, and a Covered Provider that is a non-profit organization domiciled in the United States, on the other hand; and

(iv) Section 3.7 of the Compact and paragraphs (b)(iii), (c) and (d) of Section 3.8 of the Compact in all agreements financed with MCC Funding between the Government or any entity of the Government, on the one hand, and a non-U.S. Covered Provider, on the other hand.

Section 2.8 Reports; Notices.

(a) Unless MCC agrees otherwise in writing, MCA-Liberia will periodically provide to MCC, in form and substance satisfactory to MCC, the reports and information required by the Reporting Guidelines (each, a “*Periodic Report*”). MCA-Liberia will provide the Periodic Reports to MCC on the schedule specified in the Reporting Guidelines, and the Periodic Reports will be consistent with the Reporting Guidelines in all respects.

(b) On October 30 of each year of the Compact Term (or within thirty (30) days of any written request by MCC), MCA-Liberia will provide to MCC an annual supplemental report containing the following information:

(i) the progress made by the Government toward achieving the Compact Goal and Project Objectives;

(ii) additional information on accomplishments not presented in the Periodic Reports;

(iii) developments in Compact implementation related to the consultative process, donor coordination, and lessons learned; and

(iv) any report or document required to be delivered to MCC in connection with the Program under the MCC Environmental Guidelines (including the IFC Performance Standards that are incorporated by reference therein), any Audit Plan or any Implementation Plan Document.

(c) MCA-Liberia will furnish, or use its best efforts to furnish, to MCC an audit report in a form satisfactory to MCC for each audit required under the Compact, other than audits arranged for by MCC, no later than ninety (90) days after the end of the period under audit, or such other time as may be agreed by MCC from time to time.

(d) If at any time during the Compact Term, the Government materially reallocates or reduces the allocation in its national budget or any other governmental authority of Liberia at a departmental, municipal, regional or other jurisdictional level materially reallocates or reduces the allocation in its budget of the normal and expected resources that the Government or such governmental authority, as applicable would have otherwise received or budgeted, from external or domestic sources, or fails to timely distribute an allocation budgeted for the activities contemplated under the Compact or the Program, the Government, acting through, MCA-Liberia must notify MCC in writing within thirty (30) days of such reallocation, reduction, or failure to distribute, such notification to contain information regarding the amount of the reallocation, reduction, or failure to distribute, the affected activities, and an explanation for the reallocation or reduction.

(e) In addition to the Periodic Reports, MCA-Liberia will provide to MCC within thirty (30) days of a written request by MCC, or as otherwise agreed by MCC and MCA-Liberia in writing, such other reports, documents or information as MCC may request from time to time related to the Program, including any component of the Implementation Plan, the Fiscal Accountability Plan, the Program Guidelines or any Disbursement.

(f) MCA-Liberia will submit the Periodic Reports and any other reports required hereunder electronically if requested by MCC or otherwise required by the Reporting Guidelines.

Section 2.9 Transactions Subject to MCC Approval. Each of the following transactions, activities, agreements, and documents requires MCC’s prior written approval:

- (a) Disbursements;
- (b) the Implementation Plan (including each element or component thereof), the Fiscal Accountability Plan and the M&E Plan, and any modification of any of the foregoing;
- (c) agreements between the Government and MCA-Liberia, and agreements in which any of the following are appointed, hired or otherwise engaged (each, a “***Material Agreement***”):
 - (i) Auditor or Reviewer;
 - (ii) Fiscal Agent;
 - (iii) Procurement Agent;
 - (iv) Bank;
 - (v) Implementing Entity;
 - (vi) Outside Project Manager; and
 - (vii) a member of the Board (including any Observer) or any Key Staff of MCA-Liberia (including agreements regarding compensation for any such person);
- (d) any modification, termination or suspension of a Material Agreement, or any action that would have equivalent effect;
- (e) any agreement or transaction of MCA-Liberia that is not arm’s-length;
- (f) any pledge of any MCC Funding or any Program Assets, or any incurrence of material indebtedness, or any guarantee, directly or indirectly of any indebtedness;
- (g) any decree, legislation, regulation, charter, contractual arrangement or other document establishing or governing (other than public laws of general application to all public institutions), or relating to the formation, organization or governance of, MCA-Liberia (including the Bylaws and any staffing plan) (each, a “***Governing Document***”);
- (h) any disposition, in whole or in part, liquidation, dissolution, winding up, reorganization or other change of MCA-Liberia;
- (i) any change in character or location of any Permitted Account;
- (j) (A) any change of any member of the Board (including any Observer), of the member serving as the chairperson or in the composition or size of the Board, and the filling of

any vacant seat of any member of the Board (including any Observer), (B) any change of any Key Staff of MCA-Liberia or in the composition or size of its management unit, and the filling of any vacant position of any Key Staff of MCA-Liberia, and (C) any material change in the composition or size of any Stakeholder Committee;

(k) any decision by MCA-Liberia to engage, accept or manage any funds in addition to MCC Funding (including from the Government or any donor agencies or organizations) during the Compact Term, or to engage in any activities or undertake any duties or responsibilities other than the Designated Rights and Responsibilities;

(l) any agreement, transaction, decision or other action or document for which MCC approval is required under any of the Program Guidelines; and

(m) any amendment, supplement, replacement, termination, revocation or other change to any of the foregoing documents or arrangements.

Section 2.10 Role of Certain Entities in Implementation.

(a) Outside Project Manager. MCA-Liberia may engage qualified persons or entities to serve as outside project managers (each, an “***Outside Project Manager***”) in the event that it is advisable to do so for the proper and efficient day-to-day management of a Project or Activity; ***provided, however,*** that, if so required by the MCC Program Procurement Guidelines, the appointment or engagement of any Outside Project Manager will be made using a competitive selection process and, if required by the MCC Program Procurement Guidelines, will be subject to approval by the Board and by MCC prior to such appointment or engagement. Upon such approval, MCA-Liberia may delegate, assign, or contract to the Outside Project Managers such duties and responsibilities as it deems appropriate with respect to the management of the Implementing Entities and the implementation of the specific Projects or Activities; and ***provided, further,*** that MCA-Liberia will remain accountable for those duties and responsibilities and all reports delivered by the Outside Project Manager notwithstanding any such delegation, assignment or contract and the Outside Project Manager will be subject to the oversight of the Fiscal Agent and Procurement Agent. The Board may determine that it is advisable to engage one or more Outside Project Managers and instruct MCA-Liberia and, where appropriate, the Procurement Agent to commence and conduct the competitive selection process for such Outside Project Manager.

(b) Fiscal Agent. MCA-Liberia will engage a Fiscal Agent, who will be responsible for, among other things, (i) ensuring and certifying that Disbursements are properly authorized and documented in accordance with established control procedures set forth in the Fiscal Agent Agreement and the Bank Agreement, (ii) instructing the Bank to make Disbursements from a Permitted Account or requesting Disbursement be made directly to a provider as payment for goods, works or services in accordance with the Common Payment System or any alternate payment system approved by MCC, as the case may be, and in each case following applicable certification by the Fiscal Agent, (iii) providing applicable certifications for Disbursement Requests, (iv) maintaining proper accounting of all MCC Funding financial transactions and (v)

producing reports on Disbursements in accordance with established procedures set forth in the Fiscal Agent Agreement and the Bank Agreement. MCA-Liberia will enter into an agreement with the Fiscal Agent, in form and substance satisfactory to MCC, which sets forth the roles and responsibilities of the Fiscal Agent and other appropriate terms and conditions (the “**Fiscal Agent Agreement**”). Unless MCC agrees otherwise in writing, the Fiscal Agent will be a third party, independent of the Government.

(c) Auditors and Reviewers. MCA-Liberia will engage one or more auditors as contemplated in the Audit Guidelines (each, an “**Auditor**”). As requested by MCC in writing from time to time, MCA-Liberia will also engage an independent (i) reviewer to conduct reviews of performance and compliance under the Compact, which reviewer will have the capacity to (1) conduct general reviews of performance or compliance, (2) conduct audits of environmental and social performance and (3) conduct data quality assessments in accordance with the M&E Plan, as described more fully in Annex III to the Compact and/or (ii) evaluator to assess performance as required under the M&E Plan (each, a “**Reviewer**”). MCA-Liberia will select the Auditor(s) and/or Reviewer(s) in accordance with the Audit Guidelines and the M&E Plan, as applicable. MCA-Liberia will enter into an agreement with each Auditor or Reviewer, in form and substance acceptable to MCC, that sets forth the roles and responsibilities of the Auditor or Reviewer with respect to the audit, review or evaluation, including access rights, required form and content of the applicable audit, review or evaluation and other appropriate terms and conditions (the “**Auditor / Reviewer Agreement**”).

(d) Procurement Agent. MCA-Liberia will engage a Procurement Agent to carry out and/or certify specified procurement activities in furtherance of the Compact and this Agreement. MCA-Liberia will enter into an agreement with the Procurement Agent, in form and substance satisfactory to MCC, that sets forth the roles and responsibilities of the Procurement Agent with respect to the conduct, monitoring and review of procurements and other appropriate terms and conditions (the “**Procurement Agent Agreement**”). Unless MCC agrees otherwise in writing, the Procurement Agent will be a third party, independent of the Government.

Section 2.11 Publicity and Transparency.

(a) Subject to Section 2.12, MCA-Liberia will give appropriate publicity to the Compact as a program to which the United States, through MCC, has contributed, including by identifying Program Activity sites, and marking Program Assets, all in accordance with MCC’s *Standards for Global Marking*. Upon the termination or expiration of the Compact, the Government, upon MCC’s request, will cause the removal of any such references and markings on the MCA-Liberia Website or in any Government or MCA-Liberia publicity materials.

(b) MCA-Liberia will make information concerning implementation of the Compact publicly available, including by posting the following documents in English, on the website operated by MCA-Liberia (the “**MCA-Liberia Website**”), all to the extent contemplated by and in accordance with the Governance Guidelines: (i) Compact, (ii) this Agreement, (iii) minutes of the meetings of the Board, and minutes of the meetings of the Stakeholders Committees as they relate to MCA-Liberia; (iv) the M&E Plan, along with periodic reports and final evaluations on

Program performance; (v) all environmental and social impact assessments and resettlement action plans for the Projects and supporting documents; (vi) all social and gender assessments and the Social and Gender Integration Plan; (vii) all audit reports by an Auditor and any periodic reports or evaluations by a Reviewer; (viii) all Disbursement Requests; (ix) all reports required to be submitted to MCC under the terms of this Agreement (including the reports required under Section 2.8(a)); (x) all procurement policies and procedures (including standard documents, procurement plans, contracts awarded and the BCS) and any other procurement documents required to be made publicly available under the MCC Program Procurement Guidelines; (xi) a copy of any legislation or other documents related to the formation, organization or governance of MCA-Liberia (except to the extent classified), including the Governing Documents and any amendments thereto; and (xii) such other materials as MCC may request; ***provided, however,*** that any press release or announcement regarding MCC or the fact that MCC is funding the Program or any other publicity materials referencing MCC will be subject to MCC's prior approval and must be consistent with any instructions provided by MCC in relevant Implementation Letters.

(c) Notwithstanding Section 2.11(b), information relating to procurements prior to the award of a contract and confidential information relating to MCA-Liberia's agreements with employees, contractors and consultants will be excluded from the information and documents made publicly available; ***provided, however,*** that MCC and MCA-Liberia will mutually determine whether any information to be excluded is confidential.

Section 2.12 Branding and Enforcement.

(a) Subject to Section 4.2(g), MCC hereby grants MCA-Liberia a revocable, royalty-free, fully paid and non-exclusive right and license to use MCC's logo and the names "Millennium Challenge Corporation," "Millennium Challenge Account" and "MCC," in each case, solely in accordance with the MCC *Standards for Global Marking*. Any such use of the logo and names will be solely for the benefit of MCC, and not inure to the benefit of MCA-Liberia. The use of MCC's logo and names will not create any agency or legal representation, and MCA-Liberia has no authority to bind MCC in any way.

(b) MCA-Liberia will create its own logo, and use such logo as well as the names "Millennium Challenge Account - Liberia" and "MCA-Liberia," in each case, solely in accordance with the MCC *Standards for Global Marking*. Subject to Section 4.2(g), MCA-Liberia hereby grants MCC an irrevocable, royalty-free, fully paid and non-exclusive right and license to use the names "Millennium Challenge Account-Liberia" and "MCA-Liberia," and MCA-Liberia's logo.

(c) MCA-Liberia will take all reasonable steps to ensure that the names "Millennium Challenge Account-Liberia" and "MCA-Liberia," as well as its own logo, will enjoy maximum protection under the laws now or hereafter in effect in Liberia throughout the term of this Agreement. This includes the registration of the names and the logo as a trademark, if appropriate, the monitoring of unauthorized use by third parties, and, in case of detection of unauthorized use, the enforcement of such rights. MCA-Liberia will inform MCC as soon as

practicable if it becomes aware of any infringement, threat of infringement, or any other use by a third party that has not been authorized by MCC of any of (i) the names “Millennium Challenge Account - Liberia,” “MCA-Liberia” and/or MCA-Liberia’s logo; or (ii) the names “Millennium Challenge Corporation,” “MCC” and/or MCC’s logo. MCA-Liberia will provide MCC assistance to enforce MCC’s rights to the names “Millennium Challenge Corporation” and “MCC,” as well as to MCC’s logo.

ARTICLE 3.

DISBURSEMENT OF MCC FUNDING

The Disbursement process described in Article 3 applies to the entire Program except for the Mt. Coffee Activities. The Disbursement process for the Mt. Coffee Activities is set forth in Annex IV.

Section 3.1 Disbursement Process.

(a) Disbursement Requests. MCA-Liberia may request Disbursements to be made under the Compact by submitting a request in accordance with the Reporting Guidelines (each, a “**Disbursement Request**”), duly completed, to MCC not later than twenty (20) days (or such other period of time as may be agreed by MCC) prior to the commencement of each Disbursement Period. Requests for Disbursement of MCC Funding for any Disbursement Period will be made by separate Disbursement Requests using the applicable form. Unless MCC agrees otherwise in writing, MCA-Liberia may submit only one Disbursement Request for MCC Funding for each quarter (such quarter, or any other period of time as agreed by MCC, the “**Disbursement Period**”). Each Disbursement Request submitted must be accompanied by the Periodic Reports covering the corresponding Disbursement Period.

(b) Approval of Disbursement Requests; Release of Proceeds.

(i) Upon receipt of a Disbursement Request, MCC will determine the appropriate amount of the Disbursement to be made based on, among other things, (A) the progress achieved under the Implementation Plan, (B) the amount of funds required to complete the activities described in the accompanying Periodic Reports during the corresponding Disbursement Period and (C) the satisfaction, waiver or deferral of applicable conditions to such Disbursement. MCC may, in its sole discretion, disapprove any Disbursement completely or reduce the amount of any Disbursement below that proposed in a Disbursement Request based on its determination of any of the factors set forth in this Section 3.1(b)(i).

(ii) Upon MCC’s approval of a Disbursement Request, the proceeds of the Disbursement may be transferred, at MCC’s sole election, (A) to a Permitted Account, or (B) directly to a provider as payment for goods, works or services received by MCA-Liberia in accordance with the Common Payment System or any alternate payment system approved by MCC; **provided, however**, that expenditures of such proceeds (including amounts transferred directly to a provider) are authorized by MCA-Liberia, and the related payment complies, as

certified by the Fiscal Agent, with the most recently approved Detailed Financial Plan and the standards and procedures set forth in the Fiscal Agent Agreement and the Fiscal Accountability Plan.

(c) Permitted Accounts.

(i) Any MCC Funding to be disbursed to a bank account must be deposited in accounts established by MCA-Liberia in the local currency of Liberia or United States Dollars (each, a “**Local Account**”) at a financial institution acceptable to MCC; such Local Account to be interest-bearing to the extent practicable. The Local Account will be a Permitted Account. MCC and MCA-Liberia also may mutually agree in writing to the establishment of additional Permitted Accounts from time to time at financial institutions acceptable to MCC. MCA-Liberia will notify MCC promptly if any account information for a Permitted Account changes during the Compact Term and provide MCC with the updated information.

(ii) Unless otherwise authorized by MCC in writing, no funds will be co-mingled in a Permitted Account other than MCC Funding and accrued interest and earnings thereon. MCC will have the right, among other things, to view any Permitted Account statements and activity directly on-line, and where such viewing is not feasible, MCA-Liberia will provide copies of such statements to MCC upon its request. Before any MCC Funding is deposited into a Permitted Account, MCA-Liberia will enter into an agreement, in form and substance satisfactory to MCC, with the financial institution approved by MCC to hold such Permitted Account (the “**Bank**”) that sets forth the signatory authority, access rights, anti-money laundering and anti-terrorist financing provisions, and other terms related to such Permitted Account (the “**Bank Agreement**”). The Fiscal Agent, and in certain specified cases in the Bank Agreement, designated representatives of MCC, will be the sole signatories on each Permitted Account.

(iii) MCC Funding held in a Permitted Account will accrue interest or other earnings in accordance with the Bank Agreement. On a quarterly basis and upon the termination or expiration of the Compact or the Bank Agreement, MCA-Liberia will ensure the transfer of all accrued interest to MCC.

(iv) Unless MCC agrees otherwise in writing, if MCC Funding is held in any Permitted Account other than the Local Account, MCA-Liberia will ensure that such MCC Funding will be denominated in the currency of the United States of America prior to its expenditure or transfer to the Local Account. To the extent that any amount of MCC Funding held in U.S. Dollars must be converted into the currency of Liberia for any purpose, MCA-Liberia will ensure that such amount is converted consistent with the requirements of the Bank Agreement or any other applicable Supplemental Agreement.

Section 3.2 Conditions Precedent to the Initial Disbursement of MCC Funding. Unless waived or deferred by MCC, the conditions of this Section 3.2 and the conditions set forth in Section 3.3 must have been met to MCC’s satisfaction prior to the initial Disbursement of MCC Funding:

(a) Entry into Force. The Compact has entered into force as provided in Article 7 of the Compact.

(b) Key Staff. Each of the Key Staff has been selected and engaged by MCA-Liberia and approved by MCC.

(c) Fiscal Agent. MCA Liberia has appointed an entity or individual to provide fiscal agent services.

(d) Procurement Agent. MCA Liberia has appointed an entity or individual to provide procurement agent services.

(e) Bank Agreement. MCA-Liberia has executed the Bank Agreement and the Permitted Accounts have been established.

(f) Fiscal Accountability Plan. MCA-Liberia has developed the Fiscal Accountability Plan (or an interim version), and the plan has been approved by MCC.

(g) Implementation Plan. MCA-Liberia has developed a complete Implementation Plan.

(h) Procurement Plan. MCA-Liberia has developed a Procurement Plan.

Section 3.3 Conditions Precedent to Each Disbursement of MCC Funding. Unless waived or deferred by MCC, the following conditions must have been met to MCC's satisfaction prior to each Disbursement of MCC Funding (including the initial Disbursement of MCC Funding):

(a) Deliveries. MCA-Liberia has delivered to MCC the following documents, reports and information in form and substance satisfactory to MCC:

(i) a completed Disbursement Request, together with the Periodic Reports covering the related Disbursement Period;

(ii) copies of any reports from any technical (including environmental) auditors engaged by MCA-Liberia for any Activity delivered since the previous Disbursement Request;

(iii) a certificate of MCA-Liberia, dated as of the date of such Disbursement Request, substantially in the form provided by MCC (the "***MCA Disbursement Certificate***");

(iv) a certificate of the Procurement Agent, substantially in the form provided by MCC (the "***Procurement Agent Disbursement Certificate***"); and

(v) a certificate of the Fiscal Agent, substantially in the form provided by MCC (the "***Fiscal Agent Disbursement Certificate***").

- (b) Other Conditions Precedent. MCC has determined in its sole discretion that:
- (i) all applicable conditions precedent in Annex V have been duly satisfied, deferred or waived as provided in this Agreement;
 - (ii) no material default or breach of any covenant, obligation or responsibility by the Government, MCA-Liberia or any Government entity has occurred and is continuing under the Compact, this Agreement or any other Supplemental Agreement;
 - (iii) the activities to be funded with such Disbursement will not violate any applicable law or regulation;
 - (iv) the Implementation Plan Documents and Fiscal Accountability Plan are current and updated and are in form and substance satisfactory to MCC, and there has been progress satisfactory to MCC on the components of the Implementation Plan for any relevant Projects or Activities related to such Disbursement;
 - (v) there has been progress satisfactory to MCC on the M&E Plan and Social and Gender Integration Plan for the Program, relevant Project or Activity and substantial compliance with the requirements of the M&E Plan and Social and Gender Integration Plan (including the targets set forth therein and any applicable reporting requirements set forth therein for the relevant Disbursement Period);
 - (vi) all Government entities involved in the implementation of the Program, including the Implementing Entities, are coordinating successfully with MCA-Liberia and dedicating the necessary staff and other resources to ensure successful implementation of the Program;
 - (vii) there has been no material negative finding in any MCA-Liberia financial audit report delivered in accordance with the Compact and Audit Plan, for the prior two quarters (or such other period as the Audit Plan may require);
 - (viii) any Taxes paid with MCC Funding through the date ninety (90) days prior to the start of the applicable Disbursement Period have been reimbursed by the Government in full in accordance with Section 2.6(c) of the Compact;
 - (ix) the Government has satisfied all of its payment obligations, including any insurance, indemnification, tax payments or other obligations, and contributed all resources required from it, under the Compact, this Agreement and any other Supplemental Agreement;
 - (x) MCC does not have grounds for concluding that any matter certified to it in the related MCA Disbursement Certificate, Procurement Agent Disbursement Certificate or Fiscal Agent Disbursement Certificate is not as certified;

(xi) no act, omission, condition, or event has occurred that would be the basis for MCC to suspend or terminate, in whole or in part, the Compact or MCC Funding in accordance with Section 5.1 of the Compact;

(xii) each of the Key Staff remains engaged, or if a position is vacant, MCA-Liberia is actively engaged, to MCC's satisfaction, in recruiting a replacement; and

(xiii) MCA-Liberia has complied in all material respects with its obligations set forth in Section 2.1(d) with respect to the establishment of a BCS and its obligations set forth in Section 2.3 with respect to the establishment of an M&E Plan.

Section 3.4 Authorized Expenditures. Except as MCC agrees otherwise in writing, a Disbursement, or financial commitment involving MCC Funding may be made, and a Disbursement Request may be submitted, only if the related expense is provided for in the Detailed Financial Plan and sufficient uncommitted funds exist in the Detailed Financial Plan for the relevant period.

ARTICLE 4.

ENTRY INTO FORCE OF THIS AGREEMENT; CONSEQUENCES OF COMPACT TERMINATION, SUSPENSION AND EXPIRATION

Section 4.1 Entry into Force of this Agreement. This Agreement will enter into force upon the later of (a) the signing of this Agreement by each of the Parties to this Agreement and (b) the date that the Compact enters into force as provided in Article 7 of the Compact; ***provided, however,*** that the Parties agree that upon signature of this Agreement, and until this Agreement enters into force, the Parties will provisionally apply the terms of this Agreement.

Section 4.2 Consequences of Compact Termination, Suspension or Expiration.

(a) Upon the suspension, in whole or in part, of the Compact or any MCC Funding, all applicable Disbursements will be suspended, and MCC may request the Government to return any MCC Funding (or portion thereof) on deposit in any Permitted Account; ***provided, however,*** MCC Funding may be used, in compliance with the Compact and this Agreement and with written consent of MCC, to pay for (i) reasonable expenditures for goods, works or services that were properly incurred under or in furtherance of the Program before the suspension of the Compact or any MCC Funding; and (ii) reasonable costs incurred in connection with the suspension of the Compact or any MCC Funding.

(b) Upon the termination, in whole or in part, of the Compact or any MCC Funding, all applicable Disbursements will cease; ***provided, however,*** MCC Funding may be used, in compliance with the Compact and this Agreement and with written consent of MCC, to pay for (i) reasonable expenditures for goods, works or services that were properly incurred under or in furtherance of the Program before termination of the Compact or any MCC Funding; and (ii) reasonable expenditures (including administrative expenses) properly incurred in connection

with the winding up of the Program (or any part thereof) within 120 days after the termination of the Compact or any MCC Funding.

(c) Upon expiration of the Compact, all Disbursements will cease; ***provided, however,*** MCC Funding may be used, in compliance with the Compact and this Agreement, to pay for (i) reasonable expenditures for goods, works or services that were properly incurred under or in furtherance of the Program before expiration of the Compact; and (ii) reasonable expenditures (including administrative expenses) properly incurred in connection with the winding up of the Program within 120 days after the expiration.

(d) Subject to Sections 4.2(b) and (c), upon the expiration or termination of the Compact or MCC Funding, the Government will return to MCC any amounts of MCC Funding on deposit in any Permitted Account but not expended before the expiration or termination, plus accrued interest thereon within thirty (30) days after the Government receives MCC's request for such return; ***provided, however,*** that if the Compact is terminated in part, only the amount of MCC Funding allocated to the terminated portion will be subject to return.

(e) Upon the full or partial termination of the Compact or any MCC Funding, MCC may, at its expense, direct that title to any Program Assets be transferred to MCC if such Program Assets are in a deliverable state, and the Government will promptly effect such transfer upon such direction; ***provided, however,*** that, for any Program Asset not in a deliverable state and any Program Asset partially purchased or funded with MCC Funding, the Government, upon MCC's request, will reimburse MCC in United States Dollars the cash equivalent of the fair market value of such Program Asset or portion thereof, as such is determined by MCC.

(f) Prior to expiration, or upon termination, of the Compact, the Parties will consult in good faith with a view to reaching an agreement in writing on (i) the post-Compact Term treatment of MCA-Liberia, (ii) the process for ensuring the refunds of Disbursements that have not yet been released from a Permitted Account or committed in accordance with Sections 4.2(b) and (c) and (iii) any other matter related to the winding up of the Program and the Compact.

(g) No later than 120 days after the expiration or termination of the Compact, unless MCC agrees otherwise in writing, (i) the licenses granted to MCA-Liberia in Section 2.12(a) will terminate with immediate effect; (ii) the Government will ensure that MCA-Liberia ceases to be named "Millennium Challenge Account-Liberia" and/or "MCA-Liberia;" and (iii) the Government will take reasonable steps to ensure that such names and any associated logo, as well as the names "Millennium Challenge Corporation" and "MCC," as well as any logo associated therewith, are no longer used by MCA-Liberia or any other entity for any purpose not authorized by MCC. Furthermore, upon expiration or termination of the Compact, MCA-Liberia will assign and hereby assigns and transfers to MCC all right, title, and interest to the names "Millennium Challenge Account-Liberia," "MCA-Liberia," "Millennium Challenge Corporation," "MCC," as well as MCA-Liberia's logo and MCC's logo that it might have acquired during the term of this Agreement.

(h) MCC and the Government recognize that the effects of the Compact will be long-ranging and its impact on reducing poverty may not be measurable for several years after the Compact ceases to be in force. Accordingly, MCC and the Government agree to cooperatively monitor the results and evaluate the impacts of the Compact on reducing poverty through economic growth in Liberia after the Compact ceases to be in force. As part of this cooperation, prior to expiration, or upon termination, of the Compact and in addition to the actions described in Section 4.2(f), the Parties will develop a post-Compact monitoring and evaluation plan that describes the future monitoring and evaluation activities, the individuals and organizations that will undertake these activities, and a budget framework for future monitoring and evaluation, ***provided, however***, that nothing in this Section 4.2(h) will be construed as committing MCC to provide any assistance to the Government after the Compact ceases to be in force. The Government agrees to provide all resources necessary (including both financial and personnel) to fulfill the tasks undertaken by the Government under the post-Compact monitoring and evaluation plan.

ARTICLE 5.

GENERAL PROVISIONS

Section 5.1 Representatives. The provisions of Section 4.2 of the Compact are incorporated herein by reference as if fully set forth herein.

Section 5.2 Communications. The provisions of Section 4.1 of the Compact are incorporated herein by reference as if fully set forth herein.

Section 5.3 Assignments by the Government. The Government may not assign, delegate or contract implementation of its rights or obligations under this Agreement without MCC's prior written consent. The Government agrees, upon request by MCC, to execute an assignment to MCC of any contractual right or cause of action which may accrue to the Government or MCA-Liberia in connection with or arising out of the contractual performance or breach of performance by a party to a contract financed in whole or in part by MCC Funding.

Section 5.4 Amendment; Waivers. The Parties may amend this Agreement only by a written agreement signed by the Parties. Such agreement will provide how it enters into force; ***provided, however***, that the Government and MCC may by written agreement, signed by the Principal Representative or any Additional Representative of each Party and which will enter into force upon signature, modify any annex or schedule hereto. The Parties understand that any modification of this Agreement may be entered into by the Government without the need for further action by the Government (including any parliamentary action), or satisfaction of any additional domestic requirements of Liberia. Any waiver of a right or obligation arising under this Agreement will be effective only if provided in writing.

Section 5.5 Attachments. Each exhibit, schedule and annex attached to this Agreement constitutes an integral part of this Agreement.

Section 5.6 Inconsistencies. In the event of any conflict or inconsistency between this Agreement and the Compact, the terms of the Compact will prevail. In the event of any conflict or inconsistency between this Agreement and any other Supplemental Agreement or any Implementation Plan Document, the terms of this Agreement will prevail.

Section 5.7 Termination of this Agreement.

(a) MCC may terminate this Agreement in whole or in part, without cause by giving the Government thirty (30) days' written notice. This Agreement will terminate simultaneously with the termination of the Compact by the Government in accordance with Section 5.1(a) of the Compact.

(b) MCC may immediately terminate this Agreement, in whole or in part, by written notice to MCA-Liberia and the Government, if MCC determines that any event that would be a basis for termination or suspension of the Compact or MCC Funding under Section 5.1(b) of the Compact has occurred.

(c) Unless terminated earlier in accordance with the terms hereof, this Agreement will cease to be in force simultaneously with the expiration or termination of the Compact; ***provided, however,*** that, if MCC determines, consistent with Section 4.2(b) or (c), that obligations incurred (and previously approved by MCC in a Disbursement Request) prior to the expiration or termination of the Compact remain to be paid, then the provisions of this Agreement will apply until such date as such obligations are satisfied.

Section 5.8 Survival. Notwithstanding any expiration, suspension or termination of this Agreement, the following provisions of this Agreement will survive: Sections 1.2(b)(i), 2.10(a), 2.11, 4.2, 5.1, 5.2, 5.3, 5.8, 5.9 and 5.10.

Section 5.9 Information Provided to MCC. MCC may use or disclose any information in any Disbursement Request, report or document developed or delivered in connection with the Program: (a) to its employees, contractors, agents and representatives, (b) to any United States inspector general or the United States Government Accountability Office or otherwise for the purpose of satisfying MCC's own reporting requirements, (c) to post on the MCC Website for the purpose of making certain information publicly available and transparent, (d) in connection with publicizing MCC and its programs or (e) in any other manner.

Section 5.10 Governing Law. The Parties acknowledge and agree that this Agreement is an international agreement entered into for the purpose of implementing the Compact and as such will be interpreted in a manner consistent with the Compact and will be governed by the principles of international law.

Section 5.11 Counterparts; Electronic Delivery. Signatures to this Agreement and to any amendment to this Agreement will be original signatures appearing on the same page or in an exchange of letters or diplomatic notes.

Signature Page Follows on the Next Page

IN WITNESS WHEREOF, each Party, through its duly authorized representative, has signed this Program Implementation Agreement.

Done at Washington, DC, this 2nd day of October, 2015, in the English language.

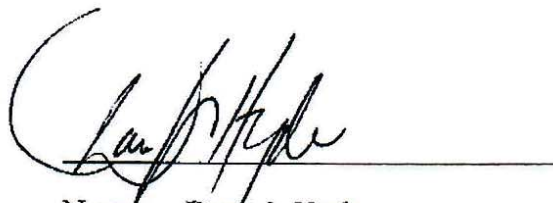
FOR THE REPUBLIC OF LIBERIA, acting
through THE MINISTRY OF FINANCE
AND DEVELOPMENT PLANNING

A handwritten signature in black ink, appearing to read 'Amara Konneh', written over a horizontal line.

Name: Amara Konneh

Title: Minister of Finance and Development
Planning

FOR THE UNITED STATES OF
AMERICA, acting through THE
MILLENNIUM CHALLENGE
CORPORATION

A handwritten signature in black ink, appearing to read 'Dana J. Hyde', written over a horizontal line.

Name: Dana J. Hyde

Title: Chief Executive Officer

ANNEX I

DEFINITIONS

Agreement has the meaning provided in the preamble to this Agreement.

Audit Plan has the meaning provided in Section 2.1(c).

Auditor has the meaning provided in Section 2.10(c).

Auditor / Reviewer Agreement has the meaning provided in Section 2.10(c).

Bank has the meaning provided in Section 3.1(c)(ii).

Bank Agreement has the meaning provided in Section 3.1(c)(ii).

BCS has the meaning provided in Section 2.1(d).

Board means the board of directors of MCA-Liberia.

Bylaws has the meaning provided in Section 1.3(b)(v).

Common Payment System means the system pursuant to which payments of MCC Funding are made directly to vendors as further described in the Fiscal Accountability Plan.

Compact has the meaning provided in the first recital to this Agreement.

Counterparty has the meaning provided in Section 1.3(b)(vi).

Designated Rights and Responsibilities has the meaning provided in Section 1.3(a)(i).

Detailed Financial Plan has the meaning provided in Section 2.1(b).

Disbursement Period has the meaning provided in Section 3.1(a).

Disbursement Request has the meaning provided in Section 3.1(a).

Exempt Entity has the meaning provided in Section 2(c), Schedule A of Annex II.

Exempt Employers has the meaning provided in Section 3(b), Schedule D of Annex II.

Exempt Individual has the meaning provided in Section 2(c), Schedule A of Annex II.

Exempt Personal Income has the meaning provided in Section 3(a), Schedule D of Annex II.

Financial Management Manual has the meaning provided in Section 1.2 of Annex III.

Fiscal Accountability Plan has the meaning provided in Section 2.2.

Fiscal Agent Agreement has the meaning provided in Section 2.10(b).

Fiscal Agent Disbursement Certificate has the meaning provided in Section 3.3(a)(v).

Funded Agreement has the meaning provided in Section 1.3(b)(vi).

General Provisions Annex means the annex titled General Provisions posted from time to time on the MCC Website or otherwise made available to the Government.

Governance Guidelines means the MCC Guidelines for Accountable Entities and Implementation Structures.

Governing Document has the meaning provided in Section 2.9(g).

Government has the meaning provided in the preamble to this Agreement.

GRPO has the meaning provided in Section 3(a), Schedule A of Annex II.

GST has the meaning provided in Schedule A of Annex II.

IFC Performance Standards has the meaning provided in Section 1.2(b)(iii).

Implementation Plan has the meaning provided in Section 2.1.

Implementation Plan Document has the meaning provided in Section 2.1.

Indirect Taxes has the meaning provided in Section 2(a), Schedule G of Annex II.

Key Staff has the meaning provided in the Governance Guidelines.

LEC Disbursement Certificate has the meaning provided in Section 1.3(a)(iii) of Annex IV.

Lien has the meaning provided in Section 1.2(b)(i).

Local Account has the meaning provided in Section 3.1(c)(i).

LRA has the meaning provided in the preamble to Annex II.

LRC has the meaning provided in the preamble to Annex II.

Material Agreement has the meaning provided in Section 2.9(c).

MCA Disbursement Certificate has the meaning provided in Section 3.3(a)(iii).

MCA-Liberia has the meaning provided in Section 1.3(a)(i).

MCA-Liberia Website has the meaning provided in Section 2.11(b), with an address to be confirmed.

MCC has the meaning provided in the preamble to this Agreement.

Multi-Year Financial Plan has the meaning provided in Section 2.1(b).

Mt. Coffee Account has the meaning provided in Section 1.1(c)(i) of Annex IV.

Mt. Coffee Bank has the meaning provided in Section 1.1(c)(ii) of Annex IV.

Mt. Coffee Bank Agreement has the meaning provided in Section 1.1(c)(ii) of Annex IV.

Mt. Coffee Detailed Financial Plan has the meaning provided in Section 1.1(ii) of Annex III.

Mt. Coffee Disbursement Period has the meaning provided in Section 1.1(a) of Annex IV.

Mt. Coffee Disbursement Request has the meaning provided in Section 1.1(a) of Annex IV.

Mt. Coffee Governing Document has the meaning provided in Section 1.7(g) of Annex III.

Mt. Coffee Implementation Agreement has the meaning provided in Section 1.4(c).

Mt. Coffee Implementation Plan has the meaning provided in Section 1.1 of Annex III.

Mt. Coffee Implementation Plan Document has the meaning provided in Section 1.1 of Annex III.

Mt. Coffee M&E Framework has the meaning provided in Section 1.3 of Annex III.

Mt. Coffee Material Agreement has the meaning provided in Section 1.7(c) of Annex III.

Mt. Coffee Reviewer Agreement has the meaning provided in Section 1.8 of Annex III.

Mt. Coffee Work Plan has the meaning provided in Section 1.1(i) of Annex III.

Observer has the meaning provided in the Governance Guidelines.

Outside Project Manager has the meaning provided in Section 2.10(a).

Party and Parties have the meaning provided in the preamble to this Agreement.

Periodic Report has the meaning provided in Section 2.8(a).

Permitted Designee has the meaning provided in Section 1.2(a).

Personal Income Taxes has the meaning provided in Section 3(a), Schedule D of Annex II.

Procurement Agent Agreement has the meaning provided in Section 2.10(d).

Procurement Agent Disbursement Certificate has the meaning provided in Section 3.3(a)(iv).

Procurement Plan has the meaning provided in Section 2.1(d).

Reviewer has the meaning provided in Section 2.10(c).

Social and Gender Integration Plan has the meaning provided in Section 2.5.

Stakeholder Committee means each of the consultative mechanisms described in Part C.1(d) of Annex I to the Compact, and any successor or other body (approved by MCC) of representatives of the private sector, civil society and local and regional governments that has been formally established in accordance with the Governance Guidelines to provide advice and input to MCA-Liberia regarding the implementation of the Program.

Tax Agent has the meaning provided in Section 3(a), Schedule G of Annex II.

TIEA has the meaning provided in Section 3(c), Schedule D of Annex II.

Work Plan has the meaning provided in Section 2.1(a).

ANNEX II

TAX SCHEDULES

The Government will ensure that MCA-Liberia, the PIU and all Providers, Covered Providers, Implementing Entities, contractors (prime contractors and subcontractors), consultants and other entities and individuals that receive MCC Funding directly or indirectly in furtherance of the Compact are exempt from Taxes in accordance with Section 2.6 of the Compact.

The following schedules identify specific taxes and mechanisms to implement compliance with the tax exemption under the Compact. The Government will provide a copy of the Compact and this Agreement to the Liberia Revenue Authority (“**LRA**”) to implement the terms of the Compact and the mechanisms to implement the tax exemption as agreed herein, or as otherwise adopted under the Compact.

As the direct beneficiary of the tax exemption under the Compact, MCA-Liberia, and the PIU with respect to the Mt. Coffee Activities, will facilitate and assist all other indirect beneficiaries of the tax exemption, including Providers, Covered Providers, Implementing Entities, contractors (prime contractors and subcontractors), consultants and other entities and individuals that receive MCC Funding directly or indirectly in furtherance of the Compact, to ensure compliance with the exemption terms herein.

The tax exemption herein applies to the goods and services tax, import and customs duties, corporate income tax, individual income tax, excise tax, and other relevant and or related taxes not mentioned but which are covered by Section 2.6 of the Compact. In lieu of this, Section 9 of the Liberia Revenue Code of 2000, as amended (“**LRC**”), represents the legal basis for exemption as the Compact and this Agreement are international agreements.

SCHEDULE A
GOODS AND SERVICES TAX (“GST”)

1. Legal Basis for Exemption or Reimbursement.

- (a) Section 2.6 of the Compact
- (b) Section 9 of the LRC

2. Beneficiaries of Exemption.

- (a) MCA-Liberia
- (b) The PIU
- (c) Each Implementing Entity, and any Provider, Covered Provider or any other entity, including prime contractors and any subcontractors working directly with prime contractors and all natural persons, providing goods, works or services in furtherance of the Compact (an “**Exempt Entity**” in the case of a legal entity or an “**Exempt Individual**” in the case of a natural person).

3. Procedures.

- (a) Goods - Local Purchases with GST Exemption.

To secure this exemption, MCA-Liberia must submit a comprehensive listing of all Exempt Entities or Exempt Individuals to the Commissioner General of the LRA and also submit the details of categories of items each Exempt Entity or Exempt Individual will require. MCA-Liberia, the PIU, and the Exempt Entity or the Exempt Individual, must utilize a goods relief purchase order (“**GRPO**”). MCA-Liberia or the PIU will then make formal requests on behalf of the Exempt Entities or Exempt Individuals who will use the GRPO in accordance with the terms and conditions set out in the letter granting MCA-Liberia the authority to use the GRPO. The GRPO will be reviewed by MCA-Liberia and then forwarded to the Commissioner General of the LRA and the Domestic Tax Commissioner of LRA for final review and approval. LRA will provide MCA-Liberia and the PIU with GRPO booklets for purchases to be made pursuant to the Compact.

GST on vehicles, entertainment, hotel accommodation, meal and personal expenses cannot be exempted at the point of sale. Such taxes must be paid at the point of sale and will be reimbursed by the Government, following receipt of the required documentation.

- (b) Goods – GST at Importation.

In the case of goods to be imported or goods to be purchased at a bonded warehouse, MCA-Liberia, the PIU, the Exempt Entity or the Exempt Individual will simultaneously claim an exemption in the same manner in which it claims an exemption under Schedule B from import

duties and related taxes. These goods will be consistent with the approved listing which must be consistent with the intended purpose as defined in the Compact. LRA will register MCA-Liberia, and any other relevant entity as an institution qualified for relief from payment of the GST at importation. MCA-Liberia will forward its application with relevant import documents directly to the Customs Commissioner of LRA with a copy to the Domestic Tax Commissioner of LRA for each application made for exemption.

Exempt Entities and Exempt Individuals will only be able to access the bonded warehouse if they execute joint applications naming both the Exempt Entity or Exempt Individual and MCA-Liberia, or the PIU, with all import documents bearing both names and tax identification numbers, where available.

(c) Goods – Retail Purchases.

For retail goods, a vendor may not be able to provide a GST exemption at the point of sale. Exempt Entities and Exempt Individuals must make best efforts to avoid purchases of open stock goods and instead buy in bulk and take advantage of the use of a GRPO as indicated above.

(d) All Services – Sourced Locally and Imported.

The procurement of services within Liberia will be inclusive of GST which will be reimbursed by LRA through the use of a GRPO. The same procedures as indicated under “Goods: Local Purchases with GST Exemption” also apply to the procurement of services. MCA-Liberia will provide a listing of all the services which will be the defined services.

GST on services sourced from outside Liberia will be exempt from GST or related withholding on any payment made for the defined services, regardless of whether the payment is made within or without Liberia.

4. Internal MCA-Liberia Procedures.

For GST purchases covered under a GRPO, Exempt Entities and Exempt Individuals must submit a proper GST invoice as will be defined by MCA-Liberia which clearly indicates the GST in a separate line. For GST on cars, entertainment, hotel accommodation, meals and personal expenses where the GST has already been paid and a refund is being sought, Exempt Entities and Exempt Individuals must submit original receipts and invoices to MCA-Liberia for verification.

For GST at importation, Exempt Entities and Exempt Individuals must submit the import documents to MCA-Liberia to conduct a review of the import documents to ensure that they are in accordance with the Exempt Entity’s or Exempt Individual’s contract and that the imports are required to execute the respective contracts and are in accordance with the listing submitted to the LRA by MCA-Liberia. The General Counsel of MCA-Liberia will also review the submitted documents and will prepare and approve an application supported with the import documents and a copy of the LRA registration document to both the Customs Commissioner of LRA and the Domestic Tax Commissioner of LRA.

SCHEDULE B
IMPORT DUTY and RELATED TAXES

1. Legal Basis for Exemption.

- (a) Section 2.6 of the Compact
- (b) Section 9 of the LRC

2. Beneficiaries of Exemption.

- (a) MCA-Liberia
- (b) The PIU
- (c) Each Exempt Entity or Exempt Individual.

3. Procedures.

(a) Pursuant to the tax exemption provisions in the Compact, the Customs Commissioner will create two custom procedure codes for MCA-Liberia as follows:

- (i) for direct imports, and
- (ii) purchases from bonded warehouses.

Once the goods have been imported or purchased from the bonded warehouse for use in furtherance the Compact, MCA-Liberia will write to the Commissioner General of LRA by indicating the appropriate procedure codes that will exempt MCA-Liberia from the payment of all custom duties, taxes and levies. Such communication will also include a copy of the waybill, copy of the invoice and the LRA letter that confirms MCA-Liberia's tax exemption.

(b) Contracts with Exempt Entities and Exempt Individuals will indicate that they are working on a duty-free project as part of the Compact.

4. Internal MCA-Liberia Procedures.

The procedures for accessing the exemption of the customs duties, taxes and levies are the same as the procedures used for GST at importation as described in Schedule A.

All exempt imports under this schedule in furtherance of the Compact will fulfill the destination inspection requirement.

SCHEDULE C
CORPORATE INCOME TAX

1. Legal Basis for Exemption.

- (a) Section 2.6 of the Compact
- (b) Section 9 of the LRC

2. Beneficiaries of Exemption.

- (a) MCA-Liberia
- (b) The PIU
- (c) Each Exempt Entity, other than legal persons that are legal entities registered under the laws of Liberia. Any income that is derived from MCC Funding by legal entities or persons, but not individuals, that are considered taxable due to residence in Liberia solely with respect to their work under the Compact will not be considered taxable or subject to taxation in Liberia.

3. Procedures.

- (a) MCA-Liberia, the PIU and all Exempt Entities, as described above, will be entitled to an exemption from Liberian corporate income tax and related taxes on income earned from providing services in furtherance of the Compact.
- (b) MCA-Liberia and the PIU will not be required to withhold tax from payments made from or with respect to MCC Funding to an Exempt Entity.

SCHEDULE D

PERSONAL INCOME TAX

1. Legal Basis for Exemption.

- (a) Section 2.6 of the Compact
- (b) Section 9 of the LRC

2. Beneficiaries of Exemption.

All Exempt Individuals, excluding citizens or residents of Liberia. Persons who derive income hereunder who otherwise were not citizens or residents prior to receiving that income will also be deemed Exempt Individuals.

3. Procedures.

(a) Exempt Individuals will be exempt from any income, social security, medical insurance or other mandatory taxes and charges imposed by Liberia or any subdivision thereof, regarding personal income (the “***Personal Income Taxes***”) received in connection with income earned from works and services performed in furtherance of the Compact (the “***Exempt Personal Income***”).

(b) MCA-Liberia, the PIU, the Implementing Entities, the Fiscal Agent and the Procurement Agent and any other vendor who employs Exempt Individuals (the “***Exempt Employers***”), will not withhold or pay Personal Income Taxes for the Exempt Individuals and will receive a clearance letter from the Domestic Tax Commissioner of LRA as exempt individuals which will be consistent with the list received from MCA-Liberia and approved by the Commissioner General of LRA.

(c) Exempt Individuals will have no obligation to file an income tax return in Liberia in relation to Exempt Personal Income but will file an information fact sheet to be agreed with MCA-Liberia in case the LRA receives any request for information under any tax information exchange agreement (“***TIEA***”).

(d) Exempt Entities will have no obligation to complete any mandatory filings but will be required to complete an information fact sheet to be agreed with MCA-Liberia in relation to the Exempt Personal Income of the Exempt Individuals.

SCHEDULE E
NON-CASH BENEFIT TAX

1. Legal Basis for Exemption.

- (a) Section 2.6 of the Compact
- (b) Section 9 of the LRC

2. Beneficiaries of Exemption.

All Exempt Individuals, excluding citizens or residents of Liberia. Persons who derive income hereunder who otherwise were not citizens or residents prior to receiving that income will also be deemed Exempt Individuals.

3. Procedures.

MCA-Liberia and Exempt Entities will be required to report non-tax benefits provided to Exempt Individuals with respect to employment or services provided in furtherance of the Compact. This information will only be used in the event there is a request for information under a TIEA.

SCHEDULE F
TAXATION OF PETROLEUM PRODUCTS

1. Legal Basis for Exemption or Reimbursement.

- (a) Section 2.6 of the Compact
- (b) Section 9 of the LRC

2. Beneficiaries of Exemption.

- (a) MCA-Liberia
- (b) The PIU
- (c) Exempt Entities and Exempt Individuals.

3. Procedures.

(a) Exempt Entities and Exempt Individuals will be exempted from paying any of the following taxes, or any other taxes which may become applicable, on wholesale or bulk purchases of petroleum products with respect to any purchases made in furtherance of the Compact:

- (i) Import Duty
- (ii) GST
- (iii) Excise Tax

MCA-Liberia will facilitate the registration and purchasing of petroleum products wholesale or in bulk, including providing any necessary certifications or approvals to permit Exempt Entities and Exempt Individuals to make such purchases.

(b) For non-wholesale or bulk purchases made from retail outlets from which an exemption is not available, MCA-Liberia will not be able to provide refunds as described above. Exempt Entities and Exempt Individuals must not make non-wholesale or non-bulk purchases from retail outlets from which an exemption is not available and should purchase petroleum products wholesale or in bulk to take advantage of the procedure described above.

4. Internal MCA-Liberia Procedures.

Exempt Entities and Exempt Individuals will obtain a proforma invoice from a supplier of petroleum products with a valid tax clearance, indicating an estimate of their fuel requirements for six months. This will then be submitted to the MCA-Liberia in order to verify the amounts in

the proforma invoice against the bill of quantities in the Exempt Entity or Exempt Individual's bid documents. Then, MCA-Liberia will request an exemption certification on behalf of MCA-Liberia and on account of the respective Exempt Entity or Exempt Individual. MCA-Liberia will be responsible for ensuring the transport of the petroleum and diesel fuel to the designated station(s) and from which MCA-Liberia and the Exempt Entities and Exempt Individuals will withdraw. The General Counsel of MCA-Liberia will also review the proforma invoices to ensure that the fuel required corresponds with the relevant bid documents and then will submit an application for exemption of taxes/levies on fuel to the Commissioner General of LRA.

In some cases, MCA-Liberia and/or the LRA will request utilization reports, undertake intelligence and require verification that the total gallons of fuel on which tax exemptions were granted were delivered to the Exempt Entity or Exempt Individual's fuel depot and were used only for the relevant Projects.

SCHEDULE G
INDIRECT TAXES & LEVIES

1. Legal Basis for Exemption or Reimbursement.

- (a) Section 2.6 of the Compact
- (b) Section 9 of the LRC

2. Beneficiaries of Exemption.

(a) MCA-Liberia, the PIU, Exempt Entities and Exempt Individuals importing or acquiring property or otherwise performing an act or action within the scope of the Compact that triggers payment of any tax under Liberian or local law, such as property tax and rates, stamp duties, withholding tax, turnover tax, and any other tax other than those addressed in Schedule A through Schedule F above (the “*Indirect Taxes*”).

3. Procedures.

(a) Whereas Indirect Taxes may be chargeable not only by the tax offices, but also by third parties as agents of the tax offices (the “*Tax Agent*”), the PIU, each Exempt Entity and Exempt Individual will require an official letter from MCA-Liberia for the purposes of filing it with the LRA who will inform its withholding agents in order to justify the claimed exemption from an Indirect Tax.

(b) The official letter from MCA-Liberia is issued on official letterhead, which will confirm that the event that triggers payment of any Indirect Tax is within the scope of the Compact, and which contains the name of the project and the name and tax identification number of the PIU, the Exempt Entity or Exempt Individual as applicable.

(c) The Government will ensure that its actions implementing the exemptions covered by the Compact will address the procedures applicable to Indirect Taxes.

ANNEX III

IMPLEMENTATION FRAMEWORK APPLICABLE TO THE MT. COFFEE ACTIVITIES

Section 1.1 Mt Coffee Implementation Plan. The framework for implementation of the Mt. Coffee Activities will be further elaborated in a set of documents, in form and substance approved by MCC, consisting of (a) a Mt. Coffee Work Plan and (b) a Mt. Coffee Detailed Financial Plan (each, a “***Mt. Coffee Implementation Plan Document***” and collectively the “***Mt. Coffee Implementation Plan***”). MCC will review the proposed Mt. Coffee Implementation Plan and as necessary may request LEC to submit clarifications or adjustments. LEC will submit an updated Mt. Coffee Implementation Plan or an updated Mt. Coffee Implementation Plan Document during any quarter in which significant changes or modifications are made to the Mt. Coffee Activities, or when LEC determines that the expected results, targets and milestones for the specified year are not likely to be achieved; ***provided, however***, that an updated Mt. Coffee Detailed Financial Plan will be submitted prior to each Mt. Coffee Disbursement. In such instances, LEC will submit to MCC for approval a proposed revised Mt Coffee Implementation Plan or an updated Mt. Coffee Implementation Plan. LEC will ensure that the implementation of the Mt. Coffee Activities are conducted in accordance with the Mt. Coffee Implementation Plan.

(i) Mt. Coffee Work Plan. LEC will develop and implement a work plan, in form and substance satisfactory to MCC, for the overall administration of the Mt. Coffee Activities (the “***Mt. Coffee Work Plan***”).

(ii) Mt. Coffee Detailed Financial Plan. Except as MCC agrees otherwise in writing, LEC will develop and implement for each Mt. Coffee Disbursement of MCC and the Pre-Existing Donors until the conclusion of the Mt. Coffee Activities, a detailed financial plan, setting forth funding requirements for the Mt. Coffee Activities projected both on a commitment and cash requirement basis (each, a “***Mt. Coffee Detailed Financial Plan***”).

Section 1.2 Financial Management Manual. LEC will follow financial principles, mechanisms and procedures set forth in a manual (the “***Financial Management Manual***”) that has been developed and approved by Pre-Existing Donors, and will also be subject to approval by MCC, to ensure appropriate fiscal accountability for the use of MCC Funding, including the process to ensure that open, fair and competitive procedures will be used in a transparent manner in the administration of the Mt. Coffee Activities. The Financial Management Manual will also include, among other things, requirements with respect to (a) budgeting, (b) accounting, (c) cash management, (d) financial transactions (receipts and payments), (e) opening and managing the Mt. Coffee Accounts, (f) personnel, (g) asset and inventory control, (h) financial audits of LEC and assurance engagements and (i) reporting. The Financial Management Manual will be revised periodically, and will be subject to review and approval by the Pre-Existing Donors and MCC.

Section 1.3 Mt Coffee M&E Framework. Unless MCC agrees otherwise in writing, no later than ninety (90) days after the Compact enters into force as provided in Article 7 of the Compact, LEC will develop and implement a plan that will serve as the primary governing document for monitoring and evaluation activities for the Mt. Coffee Activities (the “***Mt. Coffee M&E Framework***”) over the Compact Term. The Mt. Coffee M&E Framework will be captured in the

M&E Plan described in Section 2.3. The Mt. Coffee M&E Framework will be developed, implemented and updated in accordance with the MCC Policy for Monitoring and Evaluation of Compacts and Threshold Programs. Pursuant to the Mt. Coffee M&E Framework, LEC will provide data about its network, maintenance efforts and expenditures, current tariff, and customer connections; and the PIU will provide data related to the financial condition of the Mt. Coffee Activities, temporary employment generated by the rehabilitation of MCHPP and outputs produced to-date. LEC and the PIU will also participate in independent data quality review and evaluation efforts.

Section 1.4 Environmental and Social Performance Plans. In accordance with Section 1.2(b)(iii), LEC will ensure that activities undertaken under the Mt. Coffee Rehabilitation Activity, funded or otherwise supported in whole or in part (directly or indirectly) by MCC Funding comply with the World Bank’s Environmental and Social Safeguard Policies and that activities undertaken under the Mt. Coffee Support Activity will comply with the MCC Environmental Guidelines. Specifically, LEC will: (a) cooperate with or complete, as the case may be, any ongoing environmental and social impact assessments, and if necessary, undertake and complete any additional environmental and social assessments and analyses, such as environmental and social management plans, environmental and social audits, resettlement policy frameworks and resettlement action plans required under the laws of Liberia, the World Bank’s Environmental and Social Safeguard Policies or the MCC Environmental Guidelines, as the case may be, this Agreement, the Compact, any other Supplemental Agreement or as otherwise required by the Pre-Existing Donors and/or MCC (specifically, documents pertaining to the Mt. Coffee Support Activity must be in form and substance satisfactory to MCC); (b) ensure that environmental and social management plans specific to the Mt. Coffee Support Activity are developed and all relevant measures contained in such plans are integrated into project design, the applicable procurement documents and associated finalized contracts, in each case, in form and substance satisfactory to MCC; and (c) implement to MCC’s satisfaction appropriate environmental and social mitigation measures identified in such assessments or plans or developed to address environmental and social issues identified during implementation.

Section 1.5 Notice to Providers; Incorporation.

(a) LEC will notify all existing Providers (and all other entities or individuals receiving MCC Funding in connection with the Mt. Coffee Activities) of the requirements of Section 2.5 of the Compact and the general provisions available on the MCC Website. To the extent that any such requirements are violated, the Government may be required to repay MCC in accordance with Section 5.3 of the Compact. LEC will include, or ensure the inclusion of, the requirements of Section 2.5 of the Compact in all new agreements with a Provider if MCC is not a party to such agreements.

Section 1.6 Reports; Notices.

(a) Unless MCC agrees otherwise in writing, LEC will periodically provide to MCC, in form and substance satisfactory to MCC, the reports and information required by the Financial Management Manual. LEC will provide these reports to MCC on the schedule specified in the

Financial Management Manual and the reports will be consistent with the Financial Management Manual in all respects.

(b) LEC will provide to MCC with an annual supplemental report in accordance with its existing obligations to the Pre-Existing Donors.

(c) LEC will furnish to MCC and to MCA-Liberia and its auditor, completed LEC financial audit reports and non-audit assurance engagements of the PIU if requested.

(d) In addition to the reports and information required by the Financial Management Manual, LEC will provide to MCC within thirty (30) days of a written request by MCC, or as otherwise agreed by MCC and LEC in writing, such other reports, documents or information as MCC may request from time to time related to the Mt. Coffee Activities, including any component of the Mt. Coffee Implementation Plan, applicable Program Guidelines or any Mt. Coffee Disbursement.

(e) LEC will submit the reports required by the Financial Management Manual and any other reports required hereunder electronically if requested by MCC.

Section 1.7 Transactions Subject to MCC Approval. Each of the following transactions, activities, agreements, and documents requires MCC's prior written approval:

- (a) Mt. Coffee Disbursements;
- (b) The Mt. Coffee Implementation Plan (including each element or component thereof), the Mt. Coffee M&E Framework, and any modification of any of the foregoing;
- (c) New agreements between the Government and LEC, and new agreements in which any Auditor, Reviewer, or Bank are appointed, hired or otherwise engaged (each, a ***"Mt. Coffee Material Agreement"***);
- (d) any modification of pre-existing Mt. Coffee Material Agreements or the Financial Management Manual, or termination or suspension of a Mt. Coffee Material Agreement, or any action that would have equivalent effect;
- (e) any new agreement or transaction of LEC that is not arm's-length;
- (f) any pledge of any MCC Funding or any Program Assets, or any incurrence of material indebtedness, or any guarantee, directly or indirectly of any indebtedness;
- (g) any new decree, legislation, regulation, charter, contractual arrangement or other document governing (other than public laws of general application to all public institutions), or relating to the organization or governance of LEC or the PIU (including the Bylaws and any staffing plan) (each, a ***"Mt. Coffee Governing Document"***);

- (h) any disposition, in whole or in part, liquidation, dissolution, winding up, reorganization or other change of LEC;
- (i) any change in character or location of any Mt. Coffee Account;
- (j) any decision by LEC to engage, accept or manage any funds, other than Pre-Existing Donor funds, in addition to MCC Funding (including from the Government or any donor agencies or organizations) during the Compact Term, or to engage in any activities or undertake any duties or responsibilities other than the Mt. Coffee Designated Rights and Responsibilities;
- (k) any agreement, transaction, decision or other action or document for which MCC approval is required under any of the applicable Program Guidelines; and
- (l) any amendment, supplement, replacement, termination, revocation or other change to any of the foregoing documents or arrangements.

Section 1.8 Reviewers. As requested by MCC in writing from time to time, LEC will also engage an independent Reviewer. LEC will select the Reviewer(s) in accordance with the Mt. Coffee M&E Framework. LEC will enter into an agreement with each Reviewer, in form and substance acceptable to MCC, that sets forth the roles and responsibilities of the Reviewer with respect to the review or evaluation, including access rights, required form and content of the applicable review or evaluation and other appropriate terms and conditions (the “***Mt. Coffee Reviewer Agreement***”).

Section 1.9 Publicity and Transparency.

(a) LEC will give appropriate publicity to the Mt. Coffee Activities as a program to which the United States, through MCC, has contributed, including by identifying applicable Activity sites, and marking Program Assets, all in accordance with MCC’s *Standards for Global Marking*. Upon the termination or expiration of the Compact, the Government, upon MCC’s request, will cause the removal of any such references and markings on LEC’s or the PIU’s website or in any Government or LEC or PIU publicity materials.

(b) Any LEC or PIU press release or announcement regarding MCC or the fact that MCC is funding the Mt. Coffee Activities or any other publicity materials referencing MCC will be subject to MCC’s prior approval and must be consistent with any instructions provided by MCC in relevant Implementation Letters.

(c) Information relating to procurements prior to the award of a contract and confidential information relating to LEC or the PIU’s agreements with employees, contractors and consultants will be excluded from the information and documents made publicly available; ***provided, however***, that MCC and LEC or the PIU will mutually determine whether any information to be excluded is confidential.

ANNEX IV

DISBURSEMENT OF MCC FUNDING APPLICABLE TO THE MT. COFFEE ACTIVITIES

Section 1.1 Disbursement Process.

(a) Disbursement Requests. LEC may request Disbursements to be made under the Compact by submitting a request in accordance with the existing disbursement request mechanism of the PIU employed by the Pre-Existing Donors (each, a “***Mt. Coffee Disbursement Request***”), duly completed, to MCC at regular intervals (each, a “***Mt. Coffee Disbursement Period***”). Each Mt. Coffee Disbursement Request submitted must be accompanied by underlying documentation that substantiates the requested amount.

(b) Approval of Mt. Coffee Disbursement Requests; Release of Proceeds.

(i) Upon receipt of a Mt. Coffee Disbursement Request, MCC will determine the appropriate amount of the Disbursement to be made based on, among other things, (A) the progress achieved under the Mt. Coffee Implementation Plan, (B) the amount of funds required to complete the activities described in the substantiation of the requested amount and (C) the satisfaction, waiver or deferral of applicable conditions to such Mt. Coffee Disbursement. MCC may, in its sole discretion, disapprove any Mt. Coffee Disbursement completely or reduce the amount of any Mt. Coffee Disbursement below that proposed in a Mt. Coffee Disbursement Request based on its determination of any of the factors set forth in this Section 1.1(b)(i) of Annex IV.

(ii) Upon MCC’s approval of a Mt. Coffee Disbursement Request, the proceeds of the Mt. Coffee Disbursement will be transferred to a Mt. Coffee Account (as defined below). MCC may elect, after consultation with the PIU, to transfer some or all of the requested funds directly to a provider as payment for goods, works or services received by LEC in accordance with the Common Payment System or any alternate payment system approved by MCC. Transfer of such proceeds (whether to a Mt. Coffee Account or directly to a provider) must be authorized by LEC, and must comply, as certified by the PIU and the owner’s engineer, with the Mt. Coffee Detailed Financial Plan and the standards and procedures set forth in the Financial Management Manual.

(c) Mt. Coffee Accounts.

(i) Any MCC Funding to be disbursed to a bank account for the Mt. Coffee Activities must be deposited in an account established by LEC (the “***Mt. Coffee Account***”) at a financial institution acceptable to MCC; such account must be interest-bearing. The account will be a Permitted Account. MCC and LEC also may mutually agree in writing to the establishment of additional Permitted Accounts from time to time at financial institutions acceptable to MCC. LEC will notify MCC promptly if any account information for a Permitted Account changes during the Compact Term and provide MCC with the updated information.

(ii) Unless otherwise authorized by MCC in writing, no funds will be commingled in the Mt. Coffee Account other than MCC Funding and accrued interest and earnings thereon. MCC will have the right, among other things, to view any Mt. Coffee Account statements and activity directly on-line, and where such viewing is not feasible, LEC will provide copies of such statements to MCC upon its request. LEC has entered into an agreement with a financial institution to hold the Mt. Coffee Account (the “**Mt. Coffee Bank Agreement**”). Representatives of LEC and the PIU, and in certain specified cases in the Bank Agreement, designated representatives of MCC, will be the sole signatories on the Mt. Coffee Account and each Permitted Account.

(iii) MCC Funding held in the Mt. Coffee Account will accrue interest or other earnings in accordance with the Mt. Coffee Bank Agreement. On a quarterly basis and upon the termination or expiration of the Compact or the Mt. Coffee Bank Agreement, LEC will ensure the transfer of all accrued interest to MCC.

(iv) Unless MCC agrees otherwise in writing, if MCC Funding is held in any account other than the Mt. Coffee Account, LEC will ensure that such MCC Funding will be denominated in the currency of the United States of America prior to its expenditure or transfer to the Mt. Coffee Account. To the extent that any amount of MCC Funding held in U.S. Dollars must be converted into the currency of Liberia for any purpose, LEC will ensure that such amount is converted consistent with the requirements of the Mt. Coffee Bank Agreement or any other applicable Supplemental Agreement.

Section 1.2 Conditions Precedent to the Initial Mt. Coffee Disbursement. Unless waived or deferred by MCC, the conditions of this Section 1.2 of Annex IV and the conditions set forth in Section 1.3 of Annex IV must have been met to MCC’s satisfaction prior to the initial Mt. Coffee Disbursement:

(a) Entry into Force. The Compact has entered into force as provided in Article 7 of the Compact.

(b) Mt. Coffee Bank Agreement. LEC has entered into the Mt. Coffee Bank Agreement for a United States Dollar-denominated account at a foreign-domiciled bank, in form and substance acceptable to MCC.

(c) Mt. Coffee Implementation Plan. LEC has developed a complete Implementation Plan.

Section 1.3 Conditions Precedent to Each Mt. Coffee Disbursement. Unless waived or deferred by MCC, the following conditions must have been met to MCC’s satisfaction prior to each Mt. Coffee Disbursement (including the initial Mt. Coffee Disbursement):

(a) Deliveries. LEC has delivered to MCC the following documents, reports and information in form and substance satisfactory to MCC:

(i) a completed Mt. Coffee Disbursement Request, together with underlying documentation covering the related Mt. Coffee Disbursement Period;

(ii) copies of any reports from any technical (including environmental) auditors engaged by LEC delivered since the previous Mt. Coffee Disbursement Request; and

(iii) a certificate of LEC, dated as of the date of such Disbursement Request, substantially in the form provided by MCC (the “*LEC Disbursement Certificate*”).

(b) Other Conditions Precedent. MCC has determined in its sole discretion that:

(i) no material default or breach of any covenant, obligation or responsibility by LEC, the Government, MCA-Liberia or any Government entity has occurred and is continuing under the Compact, this Agreement or any other Supplemental Agreement;

(ii) the activities to be funded with such Mt. Coffee Disbursement will not violate any applicable law or regulation;

(iii) the Mt. Coffee Implementation Plan Documents and Financial Management Manual are current and updated and are in form and substance satisfactory to MCC, and there has been progress satisfactory to MCC on the components of the Mt. Coffee Implementation Plan;

(iv) there has been progress satisfactory to MCC on the Mt. Coffee M&E Framework for the Mt. Coffee Activities and substantial compliance with the requirements of the Mt. Coffee M&E Framework related to the Mt. Coffee Activities (including the targets set forth therein and any applicable reporting requirements set forth therein for the relevant Mt. Coffee Disbursement Period);

(v) all Government entities involved in the implementation of the Mt. Coffee Activities, are coordinating successfully with LEC and the PIU and dedicating the necessary staff and other resources to ensure successful implementation of the Mt. Coffee Activities;

(vi) any Taxes paid with MCC Funding used for the Mt. Coffee Activities through the date ninety (90) days prior to the applicable Mt. Coffee Disbursement have been reimbursed by the Government in full in accordance with Section 2.6(c) of the Compact;

(vii) the Government has satisfied all of its payment obligations related to the Mt. Coffee Activities, including any insurance, indemnification, tax payments or other obligations, and contributed all resources required from it, under the Compact, this Agreement and any other Supplemental Agreement;

(viii) MCC does not have grounds for concluding that any matter certified to it in the LEC Disbursement Certificate is not as certified;

(ix) no act, omission, condition, or event has occurred that would be the basis for MCC to suspend or terminate, in whole or in part, the Compact or MCC Funding in accordance with Section 5.1 of the Compact; and

(x) LEC has complied in all material respects with its obligations set forth in Section 1.3 of Annex III with respect to the establishment of a Mt. Coffee M&E Framework.

Section 1.4 Authorized Expenditures. Except as MCC agrees otherwise in writing, a Mt. Coffee Disbursement, or financial commitment involving MCC Funding may be made, and a Mt. Coffee Disbursement Request may be submitted, only if the related expense is provided for in the Mt. Coffee Detailed Financial Plan and sufficient uncommitted funds exist in the Mt. Coffee Detailed Financial Plan for the relevant period.

ANNEX V

CONDITIONS PRECEDENT TO MCC FUNDING

1. Conditions Precedent for All Projects.

(a) Prior to any Disbursement of MCC Funding on or after the commencement of year five (5) of the Compact Term, the Government must have submitted to MCC an initial draft Compact Closure Plan in accordance with the MCC Program Closure Guidelines.

2. Conditions Precedent for All Projects (except for the Mt. Coffee Rehabilitation Activity).

(a) Prior to the fourth Disbursement of MCC Funding for all Projects except for the Mt. Coffee Rehabilitation Activity, MCA-Liberia will have submitted to MCC evidence in form and substance satisfactory to MCC that MCA-Liberia has developed and adopted a comprehensive Environmental and Social Management System (“*ESMS*”).

(b) Prior to the initial and each Disbursement of MCC Funding for all Projects except for the Mt. Coffee Rehabilitation Activity for payment under a particular works or construction contract for a given Project or Activity, MCA-Liberia must have submitted to MCC evidence in form and substance satisfactory to MCC that:

(i) MCA-Liberia or the appropriate Government entity has developed and adopted an Environmental and Social Impact Assessment (“*ESIA*”), an Environmental and Social Management Plan (“*ESMP*”), a Health and Safety Management Plan (“*HSMP*”) and/or a Resettlement Action Plan (“*RAP*”), as appropriate, with respect to such Project or Activity, each of which must be in form and substance satisfactory to MCC; and

(ii) MCA-Liberia or the appropriate Government entity is implementing the requirements of each ESMS, ESIA, ESMP, HSMP or RAP, as appropriate, in all material respects and consistent with the MCC Environmental Guidelines (including the IFC Performance Standards that are incorporated by reference therein).

(iii) Prior to the fourth Disbursement of MCC Funding for all Projects except for the Mt. Coffee Rehabilitation Activity, MCA-Liberia will have developed and approved a comprehensive Social and Gender Integration Plan, in form and substance satisfactory to MCC.

3. Conditions Precedent for the Energy Project.

(a) Prior to the initial Disbursement of MCC Funding under the Energy Project the Government will have passed the 2015 Electricity Law of Liberia, in form and substance satisfactory to MCC.

(b) By February 1, 2016, and prior to any Disbursement of MCC Funding under the Energy Project on or after such date, the Government must have communicated in writing to MCC, a selected management arrangement for LEC, and MCC and the Government will have agreed on such arrangement.

(c) By March 15, 2016, and prior to any Disbursement of MCC Funding under the Energy Project on or after such date, the Government must have submitted to MCC a management implementation plan approved and adopted by the board of directors of LEC with a schedule of milestones for the implementation of the selected management arrangement, including any required interim arrangement for the management of LEC prior to the implementation of the selected management arrangement, in form and substance satisfactory to MCC.

(d) Prior to each Disbursement of MCC Funding under the Energy Project following the adoption of the management implementation plan, the Government must have submitted evidence, in form and substance satisfactory to MCC, that LEC is implementing such plan and is in compliance with the requirements of the plan.

(e) Prior to any Disbursement of MCC Funding for the Mt. Coffee Support Activity on or after the commencement of year three (3) of the Compact Term, the Government will have provided evidence of LEC's commitment to absorb the funding of the additional LEC full time permanent staff positions funded under the Mt. Coffee Support Activity so that prior to the commencement of the fourth year of the Compact, LEC will be responsible for solely funding such positions.

4. Conditions Precedent for the Mt. Coffee Rehabilitation Activity.

(a) Prior to each Disbursement of MCC Funding for the Mt. Coffee Rehabilitation Activity, the management contract for PIU services is in full force and effect, or a management contract (comparable in form and substance to the current management contract), in form and substance satisfactory to MCC, has been executed and is in effect.

(b) Prior to each Disbursement of MCC Funding for the Mt. Coffee Rehabilitation Activity, MCC will have received verification in writing from the PIU, that none of the Pre-Existing Donors have suspended or withdrawn their funding commitment, and the projected cash flow required to complete the rehabilitation of MCHPP does not exceed \$357 million. If MCC is notified by the PIU that total project costs exceed \$357 million, continuing Disbursement of MCC Funding for the Mt. Coffee Rehabilitation Activity will be dependent on the Government providing a plan, in form and substance satisfactory to MCC, that the Government has or will have sufficient funding to ensure completion of the rehabilitation of MCHPP.

(c) Prior to the initial Disbursement of MCC Funding for the Mt. Coffee Rehabilitation Activity, the Government must have communicated in writing to MCC that the Pre-Existing Donors who have committed additional financing have obtained commitment letters or equivalent evidence of, at a minimum, preliminary approval from their respective managements to provide additional funding for the rehabilitation of MCHPP in accordance with the budget overview dated May 26, 2015. If MCC is notified by the Government that any of the

Pre-Existing Donors are unable to provide additional funding for the rehabilitation of MCHPP, the Government must provide evidence satisfactory to MCC that the Government has secured sufficient funding through other means to ensure completion of the rehabilitation of MCHPP.

(d) Prior to the initial Disbursement of MCC Funding for the Mt. Coffee Rehabilitation Activity, the Government, the Pre-Existing Donors, and the PIU will confirm their agreement to appoint dispute adjudication boards for Contract 2A – Main Civil Works and Contract 5 – Camp and Services.

(e) Prior to the initial disbursement of MCC Funding for the Mt. Coffee Rehabilitation Activity, the Government will provide evidence, in form and substance satisfactory to MCC, that the PIU and project contractors are implementing the requirements of each approved ESIA, ESMP, RAP, and other relevant plans (e.g., Emergency Preparedness and Response Framework for Site-wide Emergencies, Environment and Health and Safety Master Plan), in all material respects and consistent with the EPA's environmental impact assessment procedural guidelines and the World Bank's Environmental and Social Safeguard Policies.

(f) Prior to the second Disbursement of MCC Funding for the Mt. Coffee Rehabilitation Activity, the PIU will have created a milestone schedule for implementation of all environmental and social impact mitigation measures related to the Mt. Coffee Support Activity, in form and substance satisfactory to MCC.

(g) Prior to each Disbursement of MCC Funding (apart from the initial Disbursement) for the Mt. Coffee Rehabilitation Activity, all environmental and social impact mitigations measures related to the Mt. Coffee Support Activity as set out in the schedule corresponding to the respective milestone have been met, satisfactory to MCC.

5. Conditions Precedent for the Roads Project.

(a) Prior to the initial Disbursement of MCC Funding for construction under the Construction of Road Maintenance Centers Sub-Activity, the Government will have delivered evidence, in form and substance satisfactory to MCC, that a five year road maintenance plan to be updated annually for the implementation of both routine and periodic maintenance work, including annual maintenance targets and maintenance prioritization, has been adopted by the Government.

(b) Prior to the initial Disbursement of MCC Funding for construction under the Construction of Road Maintenance Centers Sub-Activity, the Government will have delivered evidence, in form and substance satisfactory to MCC, that: (i) the Road Fund Administration has been established and is fully operational under the laws of Liberia, including that the board of directors, chief executive officer and key employees are in place; (ii) the Road Fund Administration has created the Road Fund, and governance documents of the Road Fund have been adopted; and (iii) that the Road Fund Administration has developed an operational strategy which provides for the management of the Road Fund.

(c) Prior to the initial Disbursement of MCC Funding for construction relating to the Construction of Road Maintenance Centers Sub-Activity, the Government will have delivered

evidence, in form and substance satisfactory to MCC, that Government funds have been budgeted for staff and administrative overhead expenses for the respective RMC, and that financial systems required for the efficient execution of road maintenance are in place, including but not limited to contract management, performance and works verification.

(d) Prior to the initial Disbursement of MCC Funding for the Matching Road Maintenance Fund Sub-Activity: (i) MCA-Liberia and the Road Fund Administration will have executed a grant agreement, in form and substance satisfactory to MCC, stipulating among other things, the mechanisms for tax exemption, commitment of funds, permitted and excluded costs, cash disbursements and audits of MCC Funding; and (ii) the Road Fund Administration and the Ministry of Public Works will have signed a memorandum of understanding, in form and substance satisfactory to MCC, stating the roles and responsibilities of each entity in respect of the periodic road maintenance financed through the Road Fund; and (iii) at least one RMC has been constructed and is fully operational to MCC's satisfaction.

(e) Prior to the initial Disbursement of MCC Funding for the Matching Road Maintenance Fund Sub-Activity, the Ministry of Public Works will have provided evidence, in form and substance satisfactory to MCC, that it has the appropriate financial and procurement policies, procedures and/or manuals, and other relevant documents, as the case may be, in place for the engagement of construction contractors and engineers for the engagement of periodic road maintenance to be financed by MCC Funding.

(f) Prior to each Disbursement of MCC Funding for the Matching Road Maintenance Fund Sub-Activity, the Government will have provided evidence, in form and substance satisfactory to MCC, of Government contributions to the Road Fund.

(g) Prior to initial Disbursement of MCC Funding for construction under the Construction of Road Maintenance Centers Sub-Activity, the Government will have passed the Axle Load Control Law.



**AN ACT TO RATIFY THE MILLENNIUM CHALLENGE COMPACT
BETWEEN THE REPUBLIC OF LIBERIA ACTING THROUGH THE
MINISTRY OF FINANCE AND DEVELOPMENT PLANNING
AND THE UNITED STATES OF AMERICA ACTING THROUGH
THE MILLENNIUM CHALLENGE CORPORATION**

APPROVED OCTOBER 23, 2015

**PUBLISHED BY AUTHORITY
MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA**

PRINTED OCTOBER 26, 2015

AN ACT TO RATIFY THE MILLENNIUM CHALLENGE COMPACT BETWEEN THE REPUBLIC OF LIBERIA ACTING THROUGH THE MINISTRY OF FINANCE AND DEVELOPMENT PLANNING AND THE UNITED STATES OF AMERICA ACTING THROUGH THE MILLENNIUM CHALLENGE CORPORATION

It is enacted by the Senate and House of Representatives of the Republic of Liberia in Legislature assembled:

SECTION I:

That from and immediately upon the passage of this Act, “**AN ACT TO RATIFY THE MILLENNIUM CHALLENGE COMPACT BETWEEN THE REPUBLIC OF LIBERIA ACTING THROUGH THE MINISTRY OF FINANCE AND DEVELOPMENT PLANNING AND THE UNITED STATES OF AMERICA ACTING THROUGH THE MILLENNIUM CHALLENGE CORPORATION**” as herein recited below word for word in the equally authentic English version be, and the same is hereby ratified.

SECTION II: SHORT TITLE:

This Act shall also be cited as “**THE MILLENNIUM CHALLENGE COMPACT ACT**”

SECTION III:

That any or all obligations, covenants, terms and conditions as contained in the above mentioned Act shall be carried to full completion unless otherwise modified, amended, or repealed.

SECTION IV EFFECTIVE DATE:

This Act shall take effect immediately upon publication into hand-bill.

ANY LAW TO THE CONTRARY NOTWITHSTANDING

-2015-

2015

FOURTH SESSION OF THE FIFTY-THIRD LEGISLATURE
OF THE REPUBLIC OF LIBERIA

HOUSE'S ENDORSEMENT TO SENATE'S ENGROSSED BILL
NO. 10 ENTITLED:

"AN ACT TO RATIFY THE MILLENNIUM CHALLENGE
COMPACT BETWEEN THE REPUBLIC OF LIBERIA
ACTING THROUGH THE MINISTRY OF FINANCE AND
DEVELOPMENT PLANNING AND THE UNITED STATES OF
AMERICA ACTING THROUGH THE MILLENNIUM
CHALLENGE CORPORATION"

On motion, Bill read. On motion, under the
suspension of the rule, the first reading of the
Bill constituted its second, third and final
reading and the Bill was adopted, passed into
the full force of the law, and ordered engrossed
today, Thursday, October 15, 2015 @ 14:00
G.M.T.


CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.

FOURTH SESSION OF THE FIFTY-THIRD
LEGISLATURE OF THE REPUBLIC OF LIBERIA

SENATE'S ENGROSSED BILL NO. 10 ENTITLED:

"An Act to Ratify the Millennium Challenge Compact
between the Republic of Liberia Acting through the
Ministry of Finance and Development Planning and the
United States of America Acting through the Millennium
Challenge Corporation"

On motion, Bill read. On motion, the Bill was adopted on its
first reading and sent to Committee Room on Tuesday,
October 6, 2015 at 13:40 G.M.T.

On motion, Bill taken from the Committee Room for its second
reading. On motion, under the suspension of the rule, the
second reading of the Bill constituted its third and final reading
and the Bill was adopted, passed into the full force of the law
and ordered engrossed today, Tuesday, October 13, 2015 @
14:25 G.M.T.


SECRETARY, LIBERIAN SENATE, R.L.

2015

ATTESTATION

**"AN ACT TO RATIFY THE MILLENNIUM CHALLENGE COMPACT
BETWEEN THE REPUBLIC OF LIBERIA ACTING THROUGH THE
MINISTRY OF FINANCE AND DEVELOPMENT PLANNING AND THE
UNITED STATES OF AMERICA ACTING THROUGH THE MILLENNIUM
CHALLENGE CORPORATION"**

PP *h*

**VICE PRESIDENT OF THE REPUBLIC OF LIBERIA/PRESIDENT OF
THE SENATE**



THE SECRETARY, LIBERIAN SENATE


THE SPEAKER, HOUSE OF REPRESENTATIVES

Mildred W. Sayon
THE CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.



THE SECRETARY OF THE SENATE



The Liberian Senate

CAPITOL BUILDING, CAPITOL HILL, MONROVIA, LIBERIA
WEST AFRICA

E-mail: singbehlibsen@hotmail.com

2015

**FOURTH SESSION OF THE FIFTY-THIRD LEGISLATURE OF THE
REPUBLIC OF LIBERIA.**

SCHEDULE OF SENATE'S ENROLLED BILL NO. 17 ENTITLED:

**"AN ACT TO RATIFY THE MILLENNIUM CHALLENGE COMPACT
BETWEEN THE REPUBLIC OF LIBERIA ACTING THROUGH THE
MINISTRY OF FINANCE AND DEVELOPMENT PLANNING AND THE
UNITED STATES OF AMERICA ACTING THROUGH THE MILLENNIUM
CHALLENGE CORPORATION"**

PRESENTED TO THE PRESIDENT OF THE REPUBLIC OF LIBERIA FOR
EXECUTIVE APPROVAL.

APPROVED THIS 23rd DAY OF OCTOBER A.D. 2015

AT THE HOUR OF 5:30 P.M.


THE PRESIDENT OF THE REPUBLIC OF LIBERIA

MILLENNIUM CHALLENGE COMPACT

BETWEEN

**THE UNITED STATES OF AMERICA
ACTING THROUGH
THE MILLENNIUM CHALLENGE CORPORATION**

AND

**THE REPUBLIC OF LIBERIA
ACTING THROUGH
THE MINISTRY OF FINANCE AND DEVELOPMENT PLANNING**

MILLENNIUM CHALLENGE COMPACT
TABLE OF CONTENTS

	<u>Page</u>
Article 1. Goal and Objectives	1
Section 1.1 Compact Goal	1
Section 1.2 Project Objectives	1
Article 2. Funding and Resources	2
Section 2.1 MCC Funding	2
Section 2.2 Disbursement	2
Section 2.3 Interest.....	2
Section 2.4 Government Resources; Budget	2
Section 2.5 Limitations on the Use of MCC Funding	2
Section 2.6 Taxes	3
Article 3. Implementation	4
Section 3.1 Program Implementation Agreement.....	4
Section 3.2 Government Responsibilities	4
Section 3.3 Policy Performance	5
Section 3.4 Accuracy of Information	5
Section 3.5 Implementation Letters	5
Section 3.6 Procurement and Grants.....	5
Section 3.7 Records; Accounting; Covered Providers; Access	6
Section 3.8 Audits; Reviews	7
Article 4. Communications	7
Section 4.1 Communications	7
Section 4.2 Representatives	8
Section 4.3 Signatures.....	8
Article 5. Termination; Suspension; Expiration	9
Section 5.1 Termination; Suspension	9
Section 5.2 Consequences of Termination, Suspension or Expiration	9
Section 5.3 Refunds; Violation	10
Section 5.4 Late Payment Interest	10
Section 5.5 Survival	10
Article 6. Compact Annexes; Amendments; Governing Law	10
Section 6.1 Annexes.....	10
Section 6.2 Amendments and Modifications	10
Section 6.3 Inconsistencies	11
Section 6.4 Governing Law	11
Section 6.5 Additional Instruments.....	11

Section 6.6	References to MCC Website.....	11
Section 6.7	References to Laws, Regulations, Policies and Guidelines; References to Compact Expiration and Termination.....	11
Section 6.8	MCC Status.....	12
Article 7.	Entry Into Force	12
Section 7.1	International Agreement	12
Section 7.2	Conditions Precedent to Entry into Force.....	12
Section 7.3	Date of Entry into Force	13
Section 7.4	Compact Term	13
Section 7.5	Provisional Application	13
<u>Annex I:</u>	Program Description	
<u>Annex II:</u>	Multi-Year Financial Plan Summary	
<u>Annex III:</u>	Description of the Monitoring and Evaluation Plan	
<u>Annex IV:</u>	Definitions	

MILLENNIUM CHALLENGE COMPACT

PREAMBLE

This MILLENNIUM CHALLENGE COMPACT (this “**Compact**”) is 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 (the “**Government**”) acting through the Ministry of Finance and Development Planning (individually, a “**Party**” and collectively, the “**Parties**”). Capitalized terms used in this Compact will have the meanings provided in Annex IV.

Recognizing that the Parties are committed to the shared goals of promoting economic growth and the elimination of extreme poverty in Liberia and that MCC assistance under this Compact supports Liberia’s demonstrated commitment to strengthening good governance, economic freedom and investments in people;

Recalling that the Government consulted with the private sector and civil society of Liberia to determine the priorities for the use of MCC assistance and developed and submitted to MCC a proposal for such assistance to achieve lasting economic growth and poverty reduction; and

Recognizing that MCC wishes to help Liberia implement the program described herein to achieve the goal and objectives described herein (as such program description and objectives may be amended from time to time in accordance with the terms hereof, the “**Program**”);

The Parties hereby agree as follows:

ARTICLE 1.

GOAL AND OBJECTIVES

Section 1.1 Compact Goal. The goal of this Compact is to reduce poverty through economic growth in Liberia (the “**Compact Goal**”). MCC’s assistance will be provided in a manner that strengthens good governance, economic freedom, and investments in the people of Liberia.

Section 1.2 Project Objectives. The Program consists of the projects described in Annex I (each a “**Project**” and collectively, the “**Projects**”). The objective of each of the Projects (each a “**Project Objective**” and collectively, the “**Project Objectives**”) is to:

- (a) provide access to more reliable and affordable electricity; and
- (b) improve the planning and execution of routine, periodic and emergency road maintenance.

ARTICLE 2. FUNDING AND RESOURCES

Section 2.1 MCC Funding.

Upon entry into force of this Compact in accordance with Section 7.3, MCC will grant to the Government, under the terms of this Compact, an amount not to exceed Two Hundred Fifty-Six Million Seven Hundred Twenty-Six Thousand United States Dollars (US\$256,726,000) (“**MCC Funding**”) for use by the Government to facilitate the implementation of this Compact and to implement the Program. The allocation of MCC Funding is generally described in Annex II. MCC Funding includes any refunds or reimbursements of such funding paid by the Government in accordance with this Compact.

Section 2.2 Disbursement.

In accordance with this Compact and the Program Implementation Agreement, MCC will disburse MCC Funding for expenditures incurred in furtherance of the Program (each instance, a “**Disbursement**”). Subject to the satisfaction of all applicable conditions precedent, the proceeds of Disbursements will be made available to the Government, at MCC’s sole election, by (a) deposit to one or more bank accounts established by the Government and acceptable to MCC (each, a “**Permitted Account**”) or (b) direct payment to the relevant provider of goods, works or services for the implementation of the Program. MCC Funding may be expended only for Program expenditures.

Section 2.3 Interest. The Government will pay or transfer to MCC, in accordance with the Program Implementation Agreement, any interest or other earnings that accrue on MCC Funding prior to such funding being used for a Program purpose.

Section 2.4 Government Resources; Budget.

(a) The Government will provide all funds and other resources, and will take all other actions, that are necessary to carry out the Government’s responsibilities under this Compact.

(b) The Government will use its best efforts to ensure that all MCC Funding it receives or is projected to receive in each of its fiscal years is fully accounted for in its annual budget for the duration of the Program.

(c) The Government will not reduce the normal and expected resources that it would otherwise receive or budget from sources other than MCC for the activities contemplated under this Compact and the Program.

(d) Unless the Government discloses otherwise to MCC in writing, MCC Funding will be in addition to the resources that the Government would otherwise receive or budget for the activities contemplated under this Compact and the Program.

Section 2.5 Limitations on the Use of MCC Funding. The Government will ensure that MCC Funding is not used for any purpose that would violate United States law or policy, as specified

in this Compact or as further notified to the Government in writing, including but not limited to the following purposes:

- (a) for assistance to, or training of, the military, police, militia, national guard or other quasi-military organization or unit;
- (b) for any activity that is likely to cause a substantial loss of United States jobs or a substantial displacement of United States production;
- (c) to undertake, fund or otherwise support any activity that is likely to cause a significant environmental, health, or safety hazard, as further described in MCC's *Environmental Guidelines* and any guidance documents issued in connection with such guidelines (collectively, the "**MCC Environmental Guidelines**"); or
- (d) to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions, to pay for the performance of involuntary sterilizations as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations or to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning.

Section 2.6 Taxes.

(a) Unless the Parties specifically agree otherwise in writing, the Government will ensure that all MCC Funding is free from the payment or imposition of any existing or future taxes, duties, levies, contributions or other similar charges (but not fees or charges for services that are generally applicable in Liberia, reasonable in amount and imposed on a non-discriminatory basis) ("**Taxes**") of or in Liberia (including any such Taxes imposed by a national, regional, local or other governmental or taxing authority of or in Liberia. Specifically, and without limiting the generality of the foregoing, MCC Funding will be free from the payment of (i) any tariffs, customs duties, import taxes, export taxes, and other similar charges on any goods, works or services introduced into Liberia in connection with the Program; (ii) sales tax, value added tax, excise tax, property transfer tax, and other similar charges on any transactions involving goods, works or services in connection with the Program, (iii) taxes and other similar charges on ownership, possession or use of any property in connection with the Program, and (iv) taxes and other similar charges on income, profits or gross receipts attributable to work performed in connection with the Program and related social security taxes and other similar charges on all natural or legal persons performing work in connection with the Program except (1) natural persons who are citizens or permanent residents of Liberia and (2) legal persons formed under the laws of Liberia (but excluding MCA-Liberia and any other entity formed for the purpose of implementing the Government's obligations hereunder).

(b) The mechanisms that the Government will use to implement the tax exemption required by Section 2.6(a) for certain principal taxes are set forth in the Program Implementation Agreement. Such mechanisms may include exemptions from the payment of Taxes that have been granted in accordance with applicable law, refund or reimbursement of Taxes by the Government to MCC, MCA-Liberia or to the taxpayer, or payment by the Government to MCA-

Liberia or MCC, for the benefit of the Program, of an agreed amount representing any collectible Taxes on the items described in Section 2.6(a).

(c) If a Tax has been paid contrary to the requirements of Section 2.6(a) or the Program Implementation Agreement, the Government will refund promptly to MCC (or to another party as designated by MCC) the amount of such Tax in United States dollars or the currency of Liberia within ninety (90) days (or such other period as may be agreed in writing by the Parties) after the Government is notified in writing (whether by MCC or MCA-Liberia) that such Tax has been paid. Failure to refund such amount within the specified time will result in interest accruing on the unpaid amount in accordance with Section 5.4.

(d) No MCC Funding, proceeds thereof or Program Assets may be applied by the Government in satisfaction of its obligations under Section 2.6(c).

ARTICLE 3. IMPLEMENTATION

Section 3.1 Program Implementation Agreement. The Parties will enter into an agreement providing further detail on the implementation arrangements, fiscal accountability and disbursement and use of MCC Funding, among other matters (the “**Program Implementation Agreement**” or “**PIA**”); and the Government will implement the Program in accordance with this Compact, the PIA, any other Supplemental Agreement and any Implementation Letter.

Section 3.2 Government Responsibilities.

(a) The Government has principal responsibility for overseeing and managing the implementation of the Program.

(b) With the prior written consent of MCC, the Government may designate an entity to be established by law as an autonomous entity of public nature and utility as the accountable entity to implement the Program and to exercise and perform the Government’s right and obligation to oversee, manage and implement the Program, including without limitation, managing the implementation of Projects and their Activities, assigning resources and managing procurements. Such entity will be referred to herein as “**MCA-Liberia**,” and will have the authority to bind the Government with regard to all Program activities. The Government may designate MCA-Liberia to exercise and perform the Government’s rights and responsibilities to oversee, manage, and implement the activities defined in the Grant and Implementation Agreement dated as of February 25, 2015 (the “**609(g) Agreement**”). The designation contemplated by this Section 3.2(b) will not relieve the Government of any obligations or responsibilities hereunder or under any related agreement, for which the Government remains fully responsible. MCC hereby acknowledges and consents to the designation in this Section 3.2(b).

(c) The Government will ensure that any Program Assets or services funded in whole or in part (directly or indirectly) by MCC Funding are used solely in furtherance of this Compact and the Program unless MCC agrees otherwise in writing.

(d) The Government will take all necessary or appropriate steps to achieve the Project Objectives during the Compact Term (including, without limiting Section 2.4(a), funding all costs that exceed MCC Funding and are required to carry out the terms hereof and achieve such objectives, unless MCC agrees otherwise in writing).

(e) The Government will ensure that the Program is implemented and that the Government carries out its obligations hereunder with due care, efficiency and diligence in conformity with sound technical, financial, and management practices, and in conformity with this Compact, the Program Implementation Agreement, any other Supplemental Agreement, any Implementation Letter and the Program Guidelines.

(f) The Government grants to MCC a perpetual, irrevocable, royalty-free, worldwide, fully paid, assignable right and license to practice or have practiced on its behalf (including the right to produce, reproduce, publish, repurpose, use, store, modify, or make available) any portion or portions of Intellectual Property as MCC sees fit in any medium, now known or hereafter developed, for any purpose whatsoever.

Section 3.3 Policy Performance. In addition to undertaking the specific policy, legal and regulatory reform commitments identified in Annex I (if any), the Government will seek to maintain and to improve its level of performance under the policy criteria identified in Section 607 of the of the Millennium Challenge Act of 2003, as amended (the “**MCA Act**”), and the selection criteria and methodology used by MCC.

Section 3.4 Accuracy of Information. The Government assures MCC that, as of the date this Compact is signed by the Government, the information provided to MCC by or on behalf of the Government in the course of reaching agreement with MCC on this Compact is true, correct and complete in all material respects.

Section 3.5 Implementation Letters. From time to time, MCC may provide guidance to the Government in writing on any matters relating to this Compact, MCC Funding or implementation of the Program. The Government will use such guidance in implementing the Program. The Parties may also issue jointly agreed-upon writings to confirm and record their mutual understanding on aspects related to the implementation of this Compact, the PIA or other related agreements. Such writings are referred to herein as “**Implementation Letters**.”

Section 3.6 Procurement and Grants.

(a) The Government will ensure that the procurement of all goods, works and services by the Government or any Provider to implement the Program will be in accordance with MCC’s *Program Procurement Guidelines* (the “**MCC Program Procurement**

Guidelines”). The MCC Program Procurement Guidelines include the following requirements, among others:

- (i) open, fair, and competitive procedures must be used in a transparent manner to solicit, award and administer contracts and to procure goods, works and services;
- (ii) solicitations for goods, works, and services must be based upon a clear and accurate description of the goods, works and services to be acquired;
- (iii) contracts must be awarded only to qualified contractors that have the capability and willingness to perform the contracts in accordance with their terms on a cost effective and timely basis; and
- (iv) no more than a commercially reasonable price, as determined, for example, by a comparison of price quotations and market prices, will be paid to procure goods, works and services.

(b) Unless MCC otherwise consents in writing, the Government will ensure that any grant issued in furtherance of the Program (each, a “**Grant**”) is awarded, implemented and managed pursuant to open, fair and competitive procedures administered in a transparent manner acceptable to MCC. In furtherance of this requirement, and prior to the issuance of any Grant, the Government and MCC will agree upon written procedures to govern the identification of potential Grant recipients, including, without limitation, appropriate eligibility and selection criteria and award procedures. Such agreed procedures will be posted on the MCA-Liberia website.

Section 3.7 Records; Accounting; Covered Providers; Access.

(a) Government Books and Records. The Government will maintain, and will use its best efforts to ensure that all Covered Providers maintain, accounting books, records, documents and other evidence relating to the Program adequate to show, to MCC’s satisfaction, the use of all MCC Funding and the implementation and results of the Program (“**Compact Records**”). In addition, the Government will furnish or cause to be furnished to MCC, upon its request, originals or copies of such Compact Records.

(b) Accounting. The Government will maintain and will use its best efforts to ensure that all Covered Providers maintain Compact Records in accordance with generally accepted accounting principles prevailing in the United States, or at the Government’s option and with MCC’s prior written approval, other accounting principles, such as those (i) prescribed by the International Accounting Standards Board, or (ii) then prevailing in Liberia. Compact Records must be maintained for at least five (5) years after the end of the Compact Term or for such longer period, if any, required to resolve any litigation, claims or audit findings or any applicable legal requirements.

(c) Access. Upon MCC’s request, the Government, at all reasonable times, will permit, or cause to be permitted, authorized representatives of MCC, the Inspector General of MCC (“**Inspector General**”), the United States Government Accountability Office, any auditor responsible for an audit contemplated herein or otherwise conducted in furtherance of this Compact, and any agents or representatives engaged by MCC or the Government to conduct any

assessment, review or evaluation of the Program, the opportunity to audit, review, evaluate or inspect facilities, assets and activities funded in whole or in part by MCC Funding.

Section 3.8 Audits; Reviews.

(a) Government Audits. Except as the Parties may agree otherwise in writing, the Government will, on at least a semi-annual basis, conduct, or cause to be conducted, financial audits of all Disbursements of MCC Funding covering the period from signing of this Compact until the following December 31 or June 30 and covering each six-month period thereafter ending December 31 and June 30 through the end of the Compact Term. In addition, upon MCC's request, the Government will ensure that such audits are conducted by an independent auditor approved by MCC and named on the list of local auditors approved by the Inspector General or a United States-based certified public accounting firm selected in accordance with MCC's *Guidelines for Financial Audits Contracted by the Millennium Challenge Corporation's Accountable Entities* issued and revised from time to time by the Inspector General (the "***Audit Guidelines***"). Audits will be performed in accordance with the Audit Guidelines and be subject to quality assurance oversight by the Inspector General. Each audit must be completed and the audit report delivered to MCC no later than 90 days after the applicable audit period, or such other period as the Parties may otherwise agree in writing.

(b) Audits of Other Entities. The Government will ensure that MCC financed agreements between the Government or any Provider, on the one hand, and (i) a United States nonprofit organization, on the other hand, state that the United States nonprofit organization is subject to the applicable audit requirements contained in the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, issued by the United States Office of Management and Budget; (ii) a United States for-profit Covered Provider, on the other hand, state that the United States for-profit organization is subject to audit by the applicable United States Government agency, unless the Government and MCC agree otherwise in writing; and (iii) a non-US Covered Provider, on the other hand, state that the non-US Covered Provider is subject to audit in accordance with the Audit Guidelines.

(c) Corrective Actions. The Government will use its best efforts to ensure that each Covered Provider (i) takes, where necessary, appropriate and timely corrective actions in response to audits, (ii) considers whether the results of the Covered Provider's audit necessitates adjustment of the Government's records, and (iii) permits independent auditors to have access to its records and financial statements as necessary.

(d) Audit by MCC. MCC will have the right to arrange for audits of the Government's use of MCC Funding.

(e) Cost of Audits, Reviews or Evaluations. MCC Funding may be used to fund the costs of any audits, reviews or evaluations required under this Compact.

ARTICLE 4. COMMUNICATIONS

Section 4.1 Communications. Any document or communication required or submitted by either Party to the other under this Compact must be in writing and, except as otherwise agreed

with MCC, in English. All such documents or communication must be submitted to the address of each Party set forth below or to such other address as may be designated by any Party in a written notice to the other Party.

To MCC:

Millennium Challenge Corporation
Attention: Vice President, Compact Operations
(with a copy to the Vice President and General Counsel)
875 Fifteenth Street NW
Washington, DC 20005
United States of America
Facsimile: +1 (202) 521-3700
Telephone: +1 (202) 521-3600
Email: VPOperations@mcc.gov (Vice President, Compact Operations)
VPGeneralCounsel@mcc.gov (Vice President and General Counsel)

To the Government:

Ministry of Finance and Development Planning
Attention: Minister of Finance and Development Planning
(with a copy to the Liberian Ambassador to the United States of America)
Broad Street
Monrovia
Liberia
Telephone: +231-88-661-1771

Upon establishment of MCA-Liberia, MCA-Liberia will notify the Parties of its contact details.

Section 4.2 Representatives. For all purposes relevant to implementation of this Compact, the Government will be represented by the individual holding the position of, or acting as, the Minister of Finance and Development Planning of Liberia, and MCC will be represented by the individual holding the position of, or acting as, Vice President, Compact Operations (each of the foregoing, a “**Principal Representative**”). Each Party, by written notice to the other Party, may designate one or more additional representatives of the Government or MCC, as appropriate (each, an “**Additional Representative**”) for all purposes relevant to implementation of this Compact except Section 6.2(a). Once MCA-Liberia is created and the Chief Executive Officer thereof is appointed, such Chief Executive Officer will be an Additional Representative of the Government. MCC hereby designates the Deputy Vice President, Department of Compact Operations, Africa, as an Additional Representative. A Party may change its Principal Representative to a new representative that holds a position of equal or higher authority upon written notice to the other Party.

Section 4.3 Signatures. Signatures to this Compact and to any amendment to this Compact will be original signatures appearing on the same page or in an exchange of letters or diplomatic notes.

ARTICLE 5.

TERMINATION; SUSPENSION; EXPIRATION

Section 5.1 Termination; Suspension.

(a) Either Party may terminate this Compact without cause in its entirety by giving the other Party thirty (30) days' prior written notice. MCC may also terminate this Compact or MCC Funding without cause in part by giving the Government thirty (30) days' prior written notice.

(b) MCC may, immediately, upon written notice to the Government, suspend or terminate this Compact or MCC Funding, in whole or in part, and any obligation related thereto, if MCC determines that any circumstance identified by MCC, as a basis for suspension or termination (as notified to the Government in writing) has occurred, which circumstances include but are not limited to the following:

(i) the Government fails to comply with its obligations under this Compact or any other agreement or arrangement entered into by the Government in connection with this Compact or the Program;

(ii) an event or series of events has occurred that makes it probable that any of the Project Objectives will not be achieved during the Compact Term or that the Government will not be able to perform its obligations under this Compact;

(iii) a use of MCC Funding or continued implementation of this Compact or the Program violates applicable law or United States Government policy, whether now or hereafter in effect;

(iv) the Government or any other person or entity receiving MCC Funding or using Program Assets is engaged in activities that are contrary to the national security interests of the United States;

(v) an act has been committed or an omission or an event has occurred that would render Liberia ineligible to receive United States economic assistance under Part I of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2151 *et seq.*), by reason of the application of any provision of such act or any other provision of law;

(vi) the Government has engaged in a pattern of actions inconsistent with the criteria used to determine the eligibility of Liberia for assistance under the MCA Act;

(vii) the Government or another person or entity receiving MCC Funding or using Program Assets is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking.

Section 5.2 Consequences of Termination, Suspension or Expiration.

(a) Upon the suspension or termination, in whole or in part, of this Compact or any MCC Funding, or upon the expiration of this Compact, the provisions of Section 4.2 of the

Program Implementation Agreement will govern the post-suspension, post-termination or post-expiration treatment of MCC Funding, any related Disbursements and Program Assets. Any portion of this Compact, MCC Funding, the Program Implementation Agreement or any other Supplemental Agreement that is not suspended or terminated will remain in full force and effect.

(b) MCC may reinstate any suspended or terminated MCC Funding under this Compact if MCC determines that the Government or other relevant person or entity has committed to correct each condition for which MCC Funding was suspended or terminated.

Section 5.3 Refunds; Violation.

(a) If any MCC Funding, any interest or earnings thereon, or any Program Asset is used for any purpose in violation of the terms of this Compact, then MCC may require the Government to repay to MCC in United States Dollars the value of the misused MCC Funding, interest, earnings, or asset, plus interest within thirty (30) days after the Government's receipt of MCC's request for repayment. The Government will not use MCC Funding, proceeds thereof or Program Assets to make such payment.

(b) Notwithstanding any other provision in this Compact or any other agreement to the contrary, MCC's right under Section 5.3(a) to obtain a refund will continue during the Compact Term and for a period of (i) five (5) years thereafter or (ii) one (1) year after MCC receives actual knowledge of such violation, whichever is later.

Section 5.4 Late Payment Interest. If the Government fails to pay any amount under this Compact or the Program Implementation Agreement when due (including amounts under Section 2.6(c) and 5.3(a)), interest will be paid on such unpaid amount. Interest will accrue on such unpaid amount at a rate equal to the then current US Treasury Current Value of Funds Rate, calculated on a daily basis and a 360-day year from the due date of such payment until such amount is paid in full. Any such payment will first be credited against interest due, and once the interest due amount is extinguished, then payments will be credited against outstanding principal.

Section 5.5 Survival. The Government's responsibilities under this Section and Sections 2.5, 2.6, 3.2(f), 3.7, 3.8, 5.2, 5.3, 5.4 and 6.4 will survive the expiration, suspension or termination of this Compact, provided that the terms of Section 2.6 shall survive for only 120 days following this Compact's expiration.

ARTICLE 6.

COMPACT ANNEXES; AMENDMENTS; GOVERNING LAW

Section 6.1 Annexes. Each annex to this Compact constitutes an integral part hereof, and references to "Annex" mean an annex to this Compact unless otherwise expressly stated.

Section 6.2 Amendments and Modifications.

(a) The Parties may amend this Compact only by a written agreement. Such agreement will specify how it enters into force.

(b) Notwithstanding subsection (a), the Parties agree that the Government and MCC may by written agreement, which will enter into force upon signature, modify any Annex to (i) suspend, terminate or modify any Project or Activity, (ii) change the allocations of funds as set forth in Annex II as of the date hereof, (iii) modify the implementation framework described in Annex I, or (iv) add, change or delete any indicator, baseline, target or other information set forth in Annex III as of the date hereof in accordance with the MCC M&E Policy; ***provided that***, in each case, any such modification (A) is consistent in all material respects with the Project Objectives, (B) does not cause the amount of MCC Funding to exceed the aggregate amount specified in Section 2.1, (C) does not reduce the Government's responsibilities or contribution of resources required under Section 2.4(a), and (D) does not extend the Compact Term.

(c) The Parties understand that any amendment of this Compact or any modification of any Annex pursuant to this Section 6.2 may be entered into by the Government without the need for further action by the Government (including any legislative action), or satisfaction of any additional domestic requirements of Liberia.

Section 6.3 Inconsistencies. In the event of any conflict or inconsistency between:

(a) any Annex and any of Articles 1 through 7, such Articles 1 through 7, as applicable, will prevail; or

(b) this Compact and any other agreement between the Parties regarding the Program, this Compact will prevail.

Section 6.4 Governing Law. This Compact is an international agreement and as such will be governed by the principles of international law.

Section 6.5 Additional Instruments. Any reference to activities, obligations or rights undertaken or existing under or in furtherance of this Compact or similar language will include activities, obligations and rights undertaken by, or existing under or in furtherance of any agreement, document or instrument related to this Compact and the Program.

Section 6.6 References to MCC Website. Any reference in this Compact, the PIA or any other agreement entered into in connection with this Compact, to a document or information available on, or notified by posting on the MCC Website will be deemed a reference to such document or information as updated or substituted on the MCC Website from time to time.

Section 6.7 References to Laws, Regulations, Policies and Guidelines; References to Compact Expiration and Termination.

(a) Each reference in this Compact, the PIA or any other agreement entered into in connection with this Compact, to a law, regulation, policy, guideline or similar document will be construed as a reference to such law, regulation, policy, guideline or similar document as it may, from time to time, be amended, revised, replaced, or extended and will include any law, regulation, policy, guideline or similar document issued under or otherwise applicable or related to such law, regulation, policy, guideline or similar document.

(b) Each reference in this Compact, the PIA or any other agreement entered into in connection with this Compact, to the Compact's "expiration" refers to the date on which the

Compact Term ends if the Compact is not terminated earlier, which in accordance with Section 7.4 is five (5) years after its entry into force. Each reference in any of the aforementioned documents to the Compact's "termination" refers to the Compact ceasing to be in force prior to its expiration in accordance with Section 5.1.

Section 6.8 MCC Status. MCC is a United States government corporation acting on behalf of the United States Government in the implementation of this Compact. MCC and the United States Government assume no liability for any claims or loss arising out of activities or omissions under this Compact. The Government waives any and all claims against MCC or the United States Government or any current or former officer or employee of MCC or the United States Government for all loss, damage, injury, or death arising out of activities or omissions under this Compact, and agrees that it will not bring any claim or legal proceeding of any kind against any of the above entities or persons for any such loss, damage, injury, or death. The Government agrees that MCC and the United States Government or any current or former officer or employee of MCC or the United States Government will be immune from the jurisdiction of all courts and tribunals of Liberia for any claim or loss arising out of activities or omissions under this Compact.

ARTICLE 7.

ENTRY INTO FORCE

Section 7.1 International Agreement. The Government will proceed in a timely manner to complete all of its domestic requirements for this Compact and the PIA to enter into force. The Parties understand that this Compact and the PIA, upon entry into force, will prevail over the domestic laws of Liberia. The Parties further understand that, consistent with Liberian law, prior to the Government sending the letter described in Section 7.3, this Compact and the PIA is to be submitted to and approved by the Legislature of Liberia.

Section 7.2 Conditions Precedent to Entry into Force. Before this Compact enters into force:

- (a) the Program Implementation Agreement must have been signed by the parties thereto;
- (b) The Government must have delivered to MCC:
 - (i) a letter signed and dated by the Principal Representative of the Government, or such other duly authorized representative of the Government acceptable to MCC, confirming that the Government has completed its domestic requirements necessary for this Compact to enter into force and that the other conditions precedent to entry into force in this Section 7.2 have been met.
 - (ii) a signed legal opinion from the Minister of Justice of Liberia (or such other legal representative of the Government acceptable to MCC), in form and substance satisfactory to MCC;
 - (iii) complete, certified copies of all decrees, legislation, regulations or other governmental documents relating to the Government's domestic requirements necessary for this

Compact and the PIA to enter into force, which MCC may post on its website or otherwise make publicly available; and

(c) MCC shall not have determined, at the time of this Compact's entry into force, that the Government has engaged in a pattern of actions inconsistent with the eligibility criteria for MCC Funding.

Section 7.3 Date of Entry into Force. This Compact will enter into force on the date of the letter from MCC to the Government in an exchange of letters confirming that MCC and the Government have completed their respective domestic requirements for entry into force of this Compact and that the conditions precedent to entry into force in Section 7.2 have been met to MCC's satisfaction.

Section 7.4 Compact Term. This Compact will remain in force for five (5) years after its entry into force, unless terminated earlier under Section 5.1 (the "***Compact Term***").

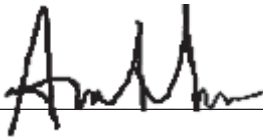
Section 7.5 Provisional Application. Upon signature of this Compact, and until this Compact has entered into force in accordance with Section 7.3, the Parties will provisionally apply the terms of this Compact; ***provided that***, no MCC Funding will be made available or disbursed before this Compact enters into force.

SIGNATURE PAGE FOLLOWS ON THE NEXT PAGE

IN WITNESS WHEREOF, each Party, through its duly authorized representative, has signed this Compact.

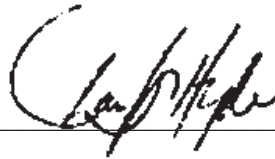
Done at Washington, DC, this 2nd day of October, 2015, in the English language.

FOR THE REPUBLIC OF LIBERIA acting
through THE MINISTRY OF FINANCE
AND DEVELOPMENT PLANNING



Name: Amara Konneh
Title: Minister of Finance and Development
Planning

FOR THE UNITED STATES OF
AMERICA, acting through THE
MILLENNIUM CHALLENGE
CORPORATION



Name: Dana J. Hyde
Title: Chief Executive Officer

**SIGNATURE PAGE TO MILLENNIUM CHALLENGE COMPACT
BETWEEN THE REPUBLIC OF LIBERIA
ACTING THROUGH THE MINISTRY OF FINANCE AND DEVELOPMENT PLANNING
AND THE UNITED STATES OF AMERICA
ACTING THROUGH THE MILLENNIUM CHALLENGE CORPORATION**

ANNEX I

PROGRAM DESCRIPTION

This Annex I describes the Program that MCC Funding will support in Liberia during the Compact Term.

A. PROGRAM OVERVIEW

1. Background and Consultative Process.

(a) Background.

In December 2013, the Government and MCC successfully completed a \$15 million threshold program focused on improving girls' access to primary education, improving trade freedom and strengthening land rights and access. Liberia was initially selected as eligible to develop this Compact in fiscal year ("FY") 2013. However, in FY 2014, Liberia did not qualify for compact eligibility and as a result, the Parties' engagement on compact development was limited. In FY 2015, Liberia improved the performance on its scorecard which resulted in Liberia's reinstatement of compact eligibility.

A constraints analysis ("*Constraints Analysis*") prepared by the Government and MCC completed in September 2013 identified two binding constraints to economic growth in Liberia: (i) lack of access to reliable and affordable electricity and (ii) inadequate road infrastructure. A complementary analysis of private sector investment opportunities confirmed that the lack of reliable and affordable electricity and inadequate roads undermined private sector growth in the economy. An analysis of social and gender issues, found that fragility emanating from large number of unemployed youth and war-affected persons, poverty, social exclusion, ethnic tensions and violence can constrain growth and poverty reduction potential. It further revealed that lack of business and technical skills, access to finance, business networks and associations and market information are reducing productivity and profit of micro, small and medium entrepreneurs and economic opportunities for youth, poor women and marginalized groups.

In October 2013, the Government, submitted two concept notes to MCC focused on upgrading two primary road segments, coupled with associated support, largely agricultural-focused, to small and medium enterprises in two counties. Preliminary economic analysis concluded that the proposed interventions to the identified roads would not yield MCC's requisite economic rate of return ("*ERR*") due to low traffic counts and high construction costs. In March 2014, Liberia was faced with the onset of Ebola virus disease ("*EVD*"), which constrained the Compact development process. Despite this constraint, the Government continued to engage in a dialog with MCC and in June 2014, the Government and MCC agreed to shift the primary focus of the Compact to the power sector while still agreeing to support road maintenance. This ensured continued progress towards a program that would meet a critical near term need for lower-cost electricity while helping to remove the severe financial constraints the Government faced as it responded to EVD.

(b) Consultative Process.

Throughout the development of this Compact, the Government engaged in an inclusive nationwide consultative process across Liberia. Together with MCC, the Government has utilized several mechanisms to solicit input from all sectors of society and all key stakeholders in

the sectors examined. This included town hall meetings with communities across Liberia, roundtables with private companies representing different industries in Monrovia as well as outreach sessions with the private sector and the Liberian diaspora in Washington, DC.

As the Compact development process progressed and evolved to focus on the electricity and road maintenance sectors, MCC and the Government have continued to consult with the private sector, civil society and other stakeholders for input on the feasibility and utility of the Program.

2. Description of Program and Beneficiaries.

(a) Program Description.

In furtherance of the Program Objective, the Parties have designed the Program to consist of the following two Projects: (i) the Energy Project; and (ii) the Roads Project. Respectively, these Projects respond to constraints to economic growth by aiming to increase access to reliable and affordable electricity and strengthening road infrastructure by improving the planning for and the execution of routine, periodic and emergency road maintenance.

Each Project is generally described in Part B of this Annex I. Part B also identifies one or more of the Activities that will be undertaken in furtherance of each Project as well as the various sub-activities within certain Activities.

(b) Beneficiaries.

By increasing access to reliable and affordable electricity, the Energy Project is expected to reduce the cost of electricity for households and firms connecting to the Liberian electrical grid. The Roads Project is expected to strengthen the planning and execution of road network maintenance, leading to a greater portion of the road network being maintained to a higher standard, thus decreasing vehicle operating costs for people living within two kilometers of the maintained roads.

B. DESCRIPTION OF PROJECTS

Set forth below is a description of each of the Projects that the Government will implement, or cause to be implemented, using MCC Funding to advance the applicable Project Objective. In addition, specific activities that will be undertaken within each Project (each, an “**Activity**”), including sub-activities, are also described.

1. Energy Project.

(a) Summary of Project and Activities.

The Energy Project comprises four interconnected activities designed to provide additional generation capacity, strengthen the management, project planning and project execution functions of the Liberia Electricity Corporation (“**LEC**”) and the Ministry of Lands, Mines and Energy (“**MLME**”), as well as support the establishment and development of an independent regulator for the sector.

(i) Mt. Coffee Rehabilitation Activity.

The Mt. Coffee Rehabilitation Activity aims to increase the amount of electricity generated in Liberia, facilitate a decrease in the overall electricity tariff and contribute to increased reliability and adequacy of electricity. The Mt. Coffee Hydropower Plant (“**MCHPP**”) is located on the St. Paul River, approximately 27 kilometers northeast of Monrovia. MCHPP was originally designed as a run-of-river scheme. The intake structure included provision for six units, although the powerhouse was only constructed for four units with a rated capacity of approximately 88 megawatts (“**MW**”). In 2003, at the end of 14 years of conflict, Liberia’s power sector was devastated including the decimation of the generating equipment at MCHPP – the country’s primary electricity generation asset and single largest source of power – and Liberia’s entire transmission and distribution network. Operation of LEC ceased completely. In order to address MCHPP rehabilitation requirements, in 2012 the Government requested financing for the rehabilitation of the facility from the Government of Norway (“**GoN**”), the German Development Bank (“**KfW**”) and the European Investment Bank (“**EIB**”) (collectively the “**Pre-Existing Donors**”). The Government committed to providing the balance of funding (20 percent of the original estimated cost) for the project including cost overruns. The joint financing, with commitments as of early 2014, was \$218.5 million and was expected to cover rehabilitation of MCHPP with three turbines, the construction of a 66 kilovolt (“**kV**”) substation, three 66 kV transmission lines between Mt. Coffee and Monrovia and the expansion of the two receiving substations in Monrovia. Significant transmission and distribution investments were either planned or in various stages of implementation when the EVD outbreak began in March 2014. As a result, stakeholders reevaluated the rehabilitation costs in early 2015, accounting for delays created by EVD and expected contract costs associated with individual work streams associated with the rehabilitation. On the basis of a revised rehabilitation cost of approximately \$357 million, MCC will assume the Government’s financial contribution of the rehabilitation and in addition MCC Funding will support the following base rehabilitation investments:

- (A) the expected additional cost required to provide a total installed generation capacity of up to 88 MW;
- (B) cover unfunded gaps between existing stakeholder commitments and a total cost to complete the rehabilitation of MCHPP in an amount not to exceed \$357 million;
- (C) cover the cost of a second 66 kV transmission line from MCHPP to the Paynesville substation;
- (D) cover the cost of rehabilitating the raw water intake at MCHPP from the power house to the MCHPP site boundary; and
- (E) costs related to the establishment of certain dispute adjudication boards.

The Government has assigned responsibility of the rehabilitation of MCHPP to LEC. The rehabilitation of MCHPP began in May 2012 and has been managed and implemented by a project implementation unit (“**PIU**”) within LEC and staffed by Liberian and international experts. MCC will participate in the rehabilitation of MCHPP as the fourth financing partner, and will therefore take advantage of the existing project and financial management structure of the

PIU and subscribe to the oversight model mutually developed at the outset of the project by the Government and the Pre-Existing Donors.

(ii) Mt. Coffee Support Activity.

The Mt. Coffee Support Activity aims to provide additional support to the Mt. Coffee Rehabilitation Activity to mitigate environmental and social risks and ensure long-term sustainability that were not addressed under the pre-existing contract structures. MCC Funding will support:

(A) the provision of small-scale community infrastructure and related technical assistance (foot bridges, water points, pit latrines, etc.) for project affected persons (“*PAPs*”) to address resettlement impacts and help ensure that the local communities affected most directly by the Mt. Coffee Rehabilitation Activity will experience benefits from such Activity;

(B) additional human resources support to LEC, including the PIU, to ensure timely and professional management, oversight and reporting of environmental and social impacts and risks;

(C) a watershed management plan (including climate change and fisheries studies); and

(D) rehabilitation of the raw water transmission line from MCHPP to the White Plains Water Treatment Works.

(iii) LEC Training Center Activity.

The LEC Training Center Activity aims to build LEC’s technical, operational, financial, and administrative capacity. The training center to be established (the “*LEC Training Center*”) will form the core base for training of technicians in the electricity sector. MCC Funding will support:

(A) construction of, and provision of equipment and training materials for, the LEC Training Center;

(B) development of a training curriculum, in the following core areas: (1) transmission and distribution, (2) electrical, (3) mechanical, (4) hydro-electric and (5) other specialized training; and

(C) training for the director, instructors, and support staff of the LEC Training Center, who will be hired as employees of LEC.

(iv) Energy Sector Reform Activity.

The Energy Sector Reform Activity aims to provide support to the key institutions responsible for policy making, investment planning, asset management, and environmental and social oversight of the sector – namely MLME, LEC, and the Environmental Protection Agency (“*EPA*”). MCC funding will support:

(A) *Establishment of an Independent Regulator Sub-Activity.* Building upon planned programming from the European Union (“*EU*”) which focuses on the development of MLME’s Department of Energy (“*DoE*”) this Sub-Activity will assist the DoE in standing up an independent regulatory agency over a three year period by supporting:

- (1) establishment of an electricity regulation unit, including the unit’s start-up staffing costs and other operational costs;
- (2) a situation assessment for the electricity sector;
- (3) development of a financial model for the electricity sector;
- (4) demand, willingness to pay and connection assessment analyses, and a cost-of service study; and
- (5) design of a regulatory information system.

(B) *Institutional Strengthening for the Environmental Protection Agency Sub-Activity.* This Sub-Activity aims to enhance the capacity of the EPA to better manage its core functions, including environmental licensing/permitting, review and approval of environmental and social impact assessments (“*ESIA*”), environmental and social management plans (“*ESMP*”) and resettlement action plans (“*RAP*”), and monitoring and oversight of environmental and social impacts and risks in both the electricity and road sectors. MCC funding will support:

- (1) provision of technical assistance and capacity building for key EPA staff; and
- (2) provision of select materials and operational support in the form of technology, monitoring and laboratory equipment, vehicles and IT improvements to facilitate the EPA’s work.

(C) *Management Support to LEC Sub-Activity.* This Sub-Activity aims to support implementation of the management arrangement for LEC selected by the Government informed by a study of public management and private sector participation options for LEC over the medium and long term to determine which is most likely to lead to a financially sustainable utility. The form of assistance will depend on the management arrangement selected, but could, for example, include technical assistance to LEC management and staff in the case that a public management option is selected, or funding and technical assistance to execute a transaction for a private sector management option.

(b) Environmental and Social Mitigation Measures.

The Energy Project, with the Mt. Coffee Rehabilitation Activity at its core, is classified as Category A under the World Bank’s Environmental and Social Safeguard Policies given its potential to have significant adverse environmental and social impacts, some of which are likely to affect an area broader than the sites or facilities subject to physical works.

The management of environmental and social impacts and risks related to the Mt. Coffee Rehabilitation Activity has been carried out in accordance with the requirements of the Environment Protection and Management Law of Liberia, the EPA's Environmental Impact Assessment Procedural Guidelines as well as applicable international standards. As agreed among the Pre-Existing Donors and the Government, the international standards applied to the Activity are the World Bank's Environmental and Social Safeguard Policies. All other Activities under the Energy Project will be carried out in accordance with the MCC Environmental Guidelines.

Comprehensive ESIA's were prepared and finalized for the rehabilitation of MCHPP in 2012. These ESIA's were accepted by the EPA and permits were received in July 2012.

To address the identified impacts and risks and establish guidelines and standards for the mitigation measures to be put in place by the PIU and the project contractors during both construction and operation, an ESMP was prepared for both MCHPP and the transmission lines in 2013. A comprehensive RAP for the rehabilitation of MCHPP was prepared in 2013 and substantially updated in 2015.

(c) Social Inclusion and Gender Integration.

Social inclusion and gender integration under the Energy Sector Reform Activity are directed at strengthening socially inclusive and gender responsive planning and implementation capacity of MLME and LEC. The Government will establish and support staff salaries at dedicated social inclusion and gender focused units within the respective entities. MCC Funding will support:

- training for the staff and capacity building at such units; and
- detailed gender and social assessments of MLME and LEC in partnership with the Ministry of Gender and Children and Social Protection as part of a mid-term review of the Liberian gender policy. These assessments will identify the social and gender integration support needed for MLME and LEC.

In addition, MCC Funding will support the following efforts to support social inclusion and gender integration under the Mt. Coffee Support Activity:

- entrepreneurship development activities for women, youth, war-affected persons and marginalized groups to help enable them to scale up their productive activities, expand income and create jobs using electricity that will be generated from MCHPP. MCC will partner with private sector organizations in undertaking these activities;
- a communications campaign on productive use of electricity and economic opportunities will be conducted towards potential consumers, especially youth, war-affected persons and women entrepreneurs for increasing their access to electricity and expanding their income generating activities; and
- the hiring of an expert organization that will work with affected communities to enhance their livelihood, especially for local unemployed young men, women, war-affected persons and marginalized groups.

(d) Donor Coordination.

The Mt. Coffee Rehabilitation Activity has provided MCC an opportunity to partner with the Governments of Norway and Germany (through KfW) and the EIB as co-financiers of the project. MCC has also worked closely with the EU, African Development Bank, and the World Bank (“**WB**”) as they program their electricity sector investments.

(e) United States Agency for International Development (“**USAID**”).

As Liberia is a Power Africa focus country, MCC and USAID have worked to ensure activities proposed and implemented under the Energy Project complement existing and planned Power Africa initiatives. While USAID retains considerable investment in rural and renewable (off-grid) projects, MCC’s proposed investments focus on critical, capital intensive generation infrastructure. MCC and USAID’s environmental and education teams have also collaborated in the conceptual design of the LEC Training Center and for capacity building within the EPA. Finally, MCC, USAID and the U.S. Embassy in Monrovia will continue to collaborate to strengthen Liberia’s legal and regulatory environment in the energy sector, and continue to support LEC to improve its service delivery and financial viability.

(f) Sustainability.

The sustainability of the Energy Project relies on the leadership and implementation provided by the PIU, the selection by the Government of a management arrangement and subsequent implementation of a management plan for LEC, and upgrading LEC staff skills and capacity in order to operate and maintain generation and distribution infrastructure assets. These will be key factors in the success and sustainability of the Energy Project.

(g) Policy, Legal and Regulatory Reforms.

A number of important policy and institutional reforms will be required to modernize the energy sector. The Energy Project aims to build upon a reform agenda already supported by a number of sector stakeholders including the GoN, the WB, the EU, USAID and the African Development Bank (“**AfDB**”). The Parties have agreed to the following policy, legal, regulatory, and institutional reforms and actions that the Government will pursue in support, and to reach the full benefits of the Energy Project:

(i) the Government will pass an electricity law that incorporates the development of a regulatory unit followed by the creation of an independent regulatory agency over a three year period;

(ii) the Government will select a management arrangement for LEC, using the management options study as an input to that decision, and adopt and implement a management implementation plan to carry out the selected management arrangement;

(iii) the Government will strengthen the planning and execution functions of MLME; and

(iv) the Government will establish or strengthen gender, social, and environmental units and their planning capacity within MLME and LEC.

2. Roads Project.

(a) Summary of Project and Activities.

The Roads Project comprises of two interconnected activities designed to build a foundation for national road maintenance planning and execution and build capacity within the sector.

(i) National Road Maintenance Activity.

The National Road Maintenance Activity aims to pilot and construct at least two regional maintenance centers (“**RMC**”), provide data collection equipment, lab equipment and vehicles to the RMCs, and match Government contributions to a road fund in an effort to better maintain and sustain Liberia’s paved roads and increase institutional capacity in the sector. The two RMCs will serve as pilots for the eventual and phased rollout of at least five RMCs in all regions of the country. MCC Funding will support:

(A) *Construction of Road Maintenance Centers Sub-Activity.* This Sub-Activity consists of design and construction of two regional pilot RMCs, one located in the western region of Liberia, in Tubmanburg, Bomi County and one located in the southeastern region of Liberia, in River Gee County. MCC may agree with the Government to fund an additional three RMCs upon successful completion and assessment of viability of the first two RMCs under this Compact.

(B) *Matching Road Maintenance Fund Sub-Activity.* MCC Funding will be used to finance periodic road maintenance works through an incentive matching fund (the “**Road Fund**”) to be established during the first year of the Compact. MCC will match Government contributions to the Road Fund dedicated to periodic road maintenance on a one to one basis up to \$8 million during the Compact Term, subject to measurable indicators of performance on maintenance planning, capacity and implementation. MCC and the Government envision that the Road Fund will be administered by the Road Fund Administration, a stand-alone autonomous entity to be established by the Government during the first year of the Compact.

(ii) Roads Sector Reform Activity.

The Roads Sector Reform Activity aims to build capacity and provide technical assistance at the national and regional level. MCC Funding will support:

(A) *Network Analysis/Data Collection.* In partnership with the Government, the United States Department of Transportation (“**DoT**”) will develop a national roadway inventory report and database by:

(1) collecting roadway condition data to support a road network analysis throughout Liberia including primary roads, secondary roads and feeder roads,

(2) collecting traffic volume data separated by mode and vehicle type in the dry and wet seasons on the primary and secondary road network,

(3) collecting any other data that feeds into MCC models or would feed into future models used by the Government, and

(4) training future RMC staff to routinely update inventory collection work and successfully apply data for maintenance planning.

(B) Sector Reform/Institutional Strengthening/Capacity Building. This task would assist MCC to ensure that Compact transportation sector investments are coordinated with and complement the projects of other major donors. Coordination would build on current efforts of the donor working group. DoT support could further institutionalize the involvement of other donors as important stakeholders in road maintenance activities and any other transportation planning and capacity building activities including:

- (1) providing capacity building related to the Axle Load Control Law,
- (2) strengthening the administrative and operational framework of the Road Fund,
- (4) training and support in transportation planning methods,
- (5) assisting in the development of a five year transportation asset management plan for Liberia,
- (6) aiding urban transportation planning in Monrovia, and
- (7) reviewing existing policies concerning road safety and developing a set of recommendations and framework of implementation.

(b) Environmental and Social Mitigation Measures.

According to the MCC Environmental Guidelines, the Roads Project is a Category C project because it is expected to have limited adverse environmental and social impacts that can be readily addressed through mitigation measures.

For the National Maintenance Activity, MCC Funding will be used to conduct site-specific environmental audits and/or environmental and social impact assessments (which will include environmental and social management plans) and resettlement action plans during the project design phase. The results of those audits will form the basis of site-specific ESIA's and/or ESMPs, and RAPs, as appropriate.

(c) Social Inclusion and Gender Integration.

Social inclusion and gender integration under the Road Sector Reform Activity are directed at strengthening socially inclusive and gender responsive planning and implementation capacity of the Ministry of Public Works (“MPW”) and the Ministry of Transportation (“MoT”). The Government will establish and support staff salaries at dedicated social inclusion and gender focused units within the respective entities. MCC Funding will support:

- (i) training for the staff and capacity building at such units;
- (ii) detailed gender and social assessments of MPW and MoT in partnership with the Ministry of Gender and Children and Social Protection as part of a mid-term review of the Liberian gender policy. These assessments will identify the social and gender integration support needed for MPW and MoT; and
- (iii) the hiring of an expert organization for supporting stakeholder and community engagement in two RMCs, and raising awareness of road safety and developing skills of local community in road maintenance that can create seasonal job opportunities for local unemployed young men, women, war-affected persons and marginalized groups.

(d) Donor Coordination.

MCC and the Government of Germany through the German Corporation for International Cooperation (“**GIZ**”) are working closely to ensure that MCC’s investments complement the considerable work GIZ has undertaken as the lead donor supporting institutional development and sector reform activities.

MCC has engaged the DoT to support due diligence and project oversight efforts for the Roads Project. MCC, the Government and the DoT are also exploring the possibility of establishing a long term relationship with the Government that will survive the compact.

(e) USAID.

MCC and USAID will continue to coordinate closely should USAID’s programming in the transport sector increase.

(f) Sustainability.

Road maintenance and effective Government commitment and coordination related to such, is crucial for the long term function and benefit of the Roads Project. The sustainability of the Roads Project is dependent upon the Government’s adoption of the Road Fund Administration and, subsequently, the establishment and effective operation of the Road Fund which is designed to collect revenue designated for periodic and routine maintenance of the national road network.

(g) Policy, Legal and Regulatory Reforms.

The Parties have identified the following policy, legal, regulatory, and institutional reforms and actions that the Government will pursue in support of the Roads Project:

- (i) the Government will pass legislation establishing the Road Fund and the Road Fund Administration as a stand-alone legal entity; and
- (ii) the Government will pass the Axle Load Control Law.

C. IMPLEMENTATION FRAMEWORK

1. MCA-Liberia.

(a) Structure and Establishment.

The Government will establish an accountable entity, MCA-Liberia, as a legal, independent and autonomous agency of the Government under the laws of Liberia. MCA-Liberia will not be under the control of any state controlling body and it will have operational and legal independence, including, *inter alia*, the ability to (i) enter into contracts in its own name; (ii) sue and be sued; (iii) establish a bank account in its own name; (iv) expend MCC Funding and (v) engage contractors, consultants and/or grantees, including, without limitation, a procurement and fiscal agent. The Government will include MCA-Liberia with respect to the Government's coordination of bilateral or multilateral development assistance projects related to the Program.

MCA-Liberia's internal operations will be governed by the act establishing it and by its bylaws, each in form and substance satisfactory to MCC.

MCA-Liberia will be administered, managed, and supported by the following bodies: (A) a board of directors (the "**Board**"); (B) a management team and (C) one or more Stakeholders Committees (as defined below).

(b) Board of Directors.

The Board will have ultimate responsibility for the oversight, direction, and decisions of MCA-Liberia, as well as the overall implementation of the Compact. The Board will be comprised of nine voting members, plus one or more non-voting members. The voting members of the Board is initially expected to include the following representatives:

- (i) Minister of Finance and Development Planning;
- (ii) Minister of Justice;
- (iii) Minister of Lands, Mines and Energy;
- (iv) Minister of Public Works;
- (v) Head of Presidential Delivery Unit;
- (vi) Chairman of the board of directors of LEC;
- (vii) representative from the private sector;
- (viii) representative from civil society; and
- (ix) Chief Executive Officer of MCA-Liberia.

The members of the Board may be represented by alternates appointed pursuant to MCA-Liberia's governing documents. In addition, MCC's Resident Country Director in Liberia will serve as a non-voting member of the Board.

The process of selecting the Board members will be consistent with the Governance Guidelines. The Government acknowledges and agrees that both: (A) continuity of Board membership and (B) authority of Board members to represent their respective ministry or organization, are each critical to fulfilling their duties and implementing the Program.

(c) Management Team.

The Management Team, as defined below, will report to the Board and will have principal responsibility for the day-to-day operations and management of MCA-Liberia, including contracting, program management, financial management, reporting, and monitoring and evaluation. The Management Team will be led by a Chief Executive Officer and will be composed of directors and officers as agreed between the Parties and consistent with the Governance Guidelines (the “**Management Team**”). The Management Team will be selected after an open and competitive recruitment and selection process, and the appointment of each member of the Management Team is subject to MCC approval. The directors will be supported by appropriate additional staff to enable the Management Team to execute its roles and responsibilities. Upon written notice by MCC to MCA-Liberia, the selection of candidates for additional positions within MCA-Liberia will be subject to MCC approval.

(d) Stakeholders’ Committee(s).

(i) Composition. MCA-Liberia will be assisted by one or more stakeholders’ committees, (each a “**Stakeholders’ Committee**”), which will be created according to a process in accordance with MCC’s Governance Guidelines, as approved by MCC. Without limiting the foregoing, as required in MCC’s Governance Guidelines, each Stakeholders’ Committee will be composed of *inter alia*, program beneficiaries, regional and local government representatives, entities with an interest or involvement in the implementation of the Compact, key non-governmental organizations, and any applicable civil society and private sector representatives.

(ii) Roles and Responsibilities. The Stakeholders’ Committee(s) will be responsible for continuing the consultative process throughout implementation of the Compact. While the Stakeholders’ Committee(s) will not have any decision-making authority, the Stakeholders’ Committee(s) will be responsible for reviewing, at the request of the Board or the Management Team, certain reports, agreements, and documents related to the implementation of the Compact in order to provide advice and input to MCA-Liberia regarding the implementation of the Program.

2. LEC Program Implementation Unit.

Responsibility for implementation of the Mt. Coffee Rehabilitation Activity has been assigned to the PIU within LEC. The PIU is an existing donor-funded implementation structure and has existing operational manuals detailing procurement, fiscal accountability, environmental and social standards and other related processes. The purpose of the PIU is to act as sole manager of the rehabilitation of MCHPP on behalf of LEC and the Government. The PIU is the single point of contact with all stakeholders for the rehabilitation of MCHPP. Currently, the PIU is led by a

project director, and is staffed by international and Liberian experts. In addition, the PIU will implement certain aspects of the Mt. Coffee Support Activity.

The Mt. Coffee Rehabilitation Activity and the Mt. Coffee Support Activity will be implemented in accordance with certain policies and guidelines established by the Pre-Existing Donors and the Government. The PIU utilizes a single set of procurement rules for all procurements of goods, works, consultant and non-consultant services that need to be acquired to implement the rehabilitation of MCHPP. The Pre-Existing Donors have agreed to follow KfW's guidelines for procurement. The PIU's management of environmental and social impacts and risks related to the rehabilitation of MCHPP is carried out in accordance with the requirements of the Environment Protection and Management Law of Liberia, the Republic of Liberia Environmental Protection Agency's Environmental Impact Assessment Procedural Guidelines as well as applicable international standards. The Pre-Existing Donors and the Government have agreed to follow the World Bank's Environmental and Social Safeguard Policies.

3. Implementing Entities.

Subject to the terms and conditions of this Compact, the Program Implementation Agreement and any other related agreement entered into in connection with this Compact, the Government may engage one or more entities of the Government to implement and carry out any Project or Activity (or a component thereof) under this Compact (each, an ***“Implementing Entity”***). The appointment of any Implementing Entity will be subject to review and approval by MCC. The Government will ensure that the roles and responsibilities of each Implementing Entity and other appropriate terms are set forth in an agreement, in form and substance satisfactory to MCC (each an ***“Implementing Entity Agreement”***).

4. Fiscal Agent.

Unless MCC agrees otherwise in writing, the Government will engage a fiscal agent (a ***“Fiscal Agent”***), which will be responsible for assisting the Government with its fiscal management and assuring appropriate fiscal accountability of MCC Funding, and whose duties will include those set forth in the Program Implementation Agreement and such agreement as the Government enters into with the Fiscal Agent, which agreement will be in form and substance satisfactory to MCC.

5. Procurement Agent.

Unless MCC agrees otherwise in writing, the Government will engage one or more procurement agents (collectively, the ***“Procurement Agent”***) to carry out and certify specified procurement activities in furtherance of this Compact. The roles and responsibilities of the Procurement Agent will be set forth in the Program Implementation Agreement or such agreement as the Government enters into with the Procurement Agent, which agreement will be in form and substance satisfactory to MCC. The Procurement Agent will adhere to the procurement standards set forth in the MCC Program Procurement Guidelines and ensure procurements are consistent with the procurement plan adopted by the Government pursuant to the Program Implementation Agreement, unless MCC agrees otherwise in writing.

ANNEX II

MULTI-YEAR FINANCIAL PLAN SUMMARY

This Annex II summarizes the Multi-Year Financial Plan for the Program.

I. General.

A multi-year financial plan summary (“***Multi-Year Financial Plan Summary***”) is attached hereto as Exhibit A to this Annex II. By such time as specified in the Program Implementation Agreement, the Government will adopt, subject to MCC approval, a multi-year financial plan that includes, in addition to the multi-year summary of estimated MCC Funding and the Government’s contribution of funds and resources, the annual and quarterly funding requirements for the Program (including administrative costs) and for each Project, projected both on a commitment and cash requirement basis.

EXHIBIT A TO ANNEX II
MULTI-YEAR FINANCIAL PLAN SUMMARY

Component	Year 1	Year 2	Year 3	Year 4	Year 5	Total
1. Energy Project						
Activity 1: Mt. Coffee Rehabilitation Activity	80,000,000	45,500,000	19,300,000	1,000,000	1,000,000	146,800,000
Activity 2: Mt. Coffee Support Activity	2,534,000	7,533,000	6,033,000	1,000,000	1,000,000	18,100,000
Activity 3: LEC Training Center Activity	500,000	1,000,000	2,600,000	1,200,000	200,000	5,500,000
Activity 4: Energy Sector Reform Activity	800,000	2,600,000	7,200,000	10,300,000	10,290,000	31,190,000
Subtotal	83,834,000	56,633,000	35,133,000	13,500,000	12,490,000	201,590,000
2. Roads Project						
Activity 1: National Roads Maintenance Activity	80,000	3,212,560	1,500,000	7,147,440	3,060,000	15,000,000
Activity 2: Roads Sector Reform Activity	1,740,000	1,325,000	1,635,000	1,055,000	315,000	6,070,000
Subtotal	1,820,000	4,537,560	3,135,000	8,202,440	3,375,000	21,070,000
3. Program Management and Administration						
(a) MCA-Liberia Administration	3,013,200	3,113,200	3,713,200	3,713,200	3,513,200	17,066,000
(b) Financial Management and Procurement Controls	2,500,000	2,200,000	1,600,000	1,600,000	1,600,000	9,500,000
(c) Financial Audits	200,000	400,000	400,000	400,000	600,000	2,000,000
Subtotal	5,713,200	5,713,200	5,713,200	5,713,200	5,713,200	28,566,000
4. Monitoring and Evaluation						
(a) Monitoring and Evaluation	1,835,000	335,000	585,000	685,000	2,060,000	5,500,000
Subtotal	1,835,000	335,000	585,000	685,000	2,060,000	5,500,000
GRAND TOTAL OF ESTIMATED MCC FUNDING	93,202,200	67,218,760	44,566,200	28,100,640	23,638,200	256,726,000

ANNEX III

COMPACT MONITORING & EVALUATION SUMMARY

This Annex III summarizes the monitoring and evaluation (“**M&E**”) plan for this Compact (“**M&E Plan**”). The actual structure and content of the M&E Plan, which may differ from those specified in this Annex III, will be agreed to by MCC and the Government in accordance with MCC’s *Policy for Monitoring and Evaluation of Compacts and Threshold Programs* (the “**MCC M&E Policy**”). In addition, the M&E Plan may be modified from time to time as described in the MCC M&E Policy without requiring an amendment to this Annex III. The M&E Plan will be posted publicly on the MCC Website and updated as necessary.

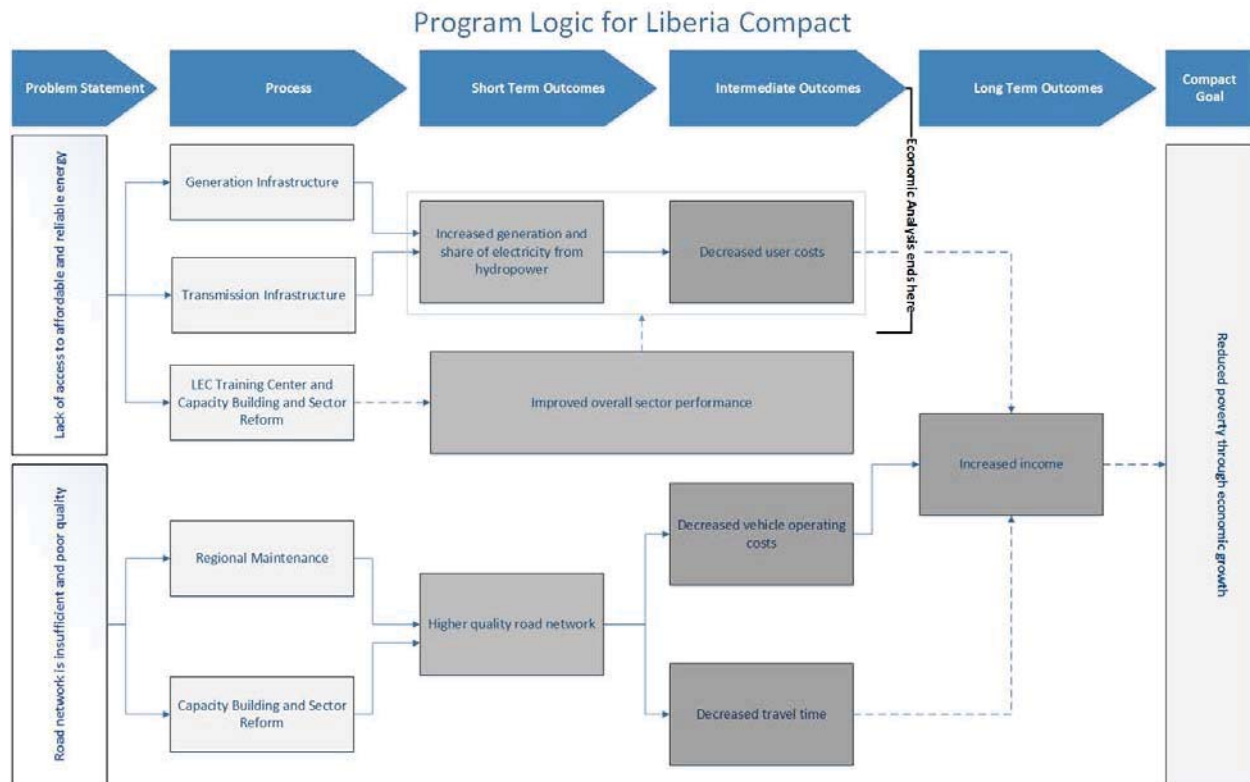
1. Objective.

MCC and the Government will formulate and agree to, and the Government will implement or cause to be implemented, an M&E Plan that explains in detail how and what MCC and MCA-Liberia will (a) monitor to determine whether the Projects are on track to achieve their intended results (“**Monitoring Component**”), and (b) evaluate to assess implementation strategies, provide lessons learned, determine cost effectiveness and estimate the impact of Compact interventions (“**Evaluation Component**”). The M&E Plan will summarize all indicators that must be reported to MCC on a regular basis, as well as a description of any complementary data to be collected for evaluation of programs. The M&E Plan will also include any M&E requirements that MCA-Liberia must meet in order to receive Disbursements, and will serve as a communication tool so that MCA-Liberia staff and other stakeholders clearly understand the objectives and targets that MCA-Liberia is responsible for achieving. The results of M&E activities, measured by monitoring data and evaluations, will be made publicly available on the website of MCA-Liberia and on the MCC Website.

2. Program Logic.

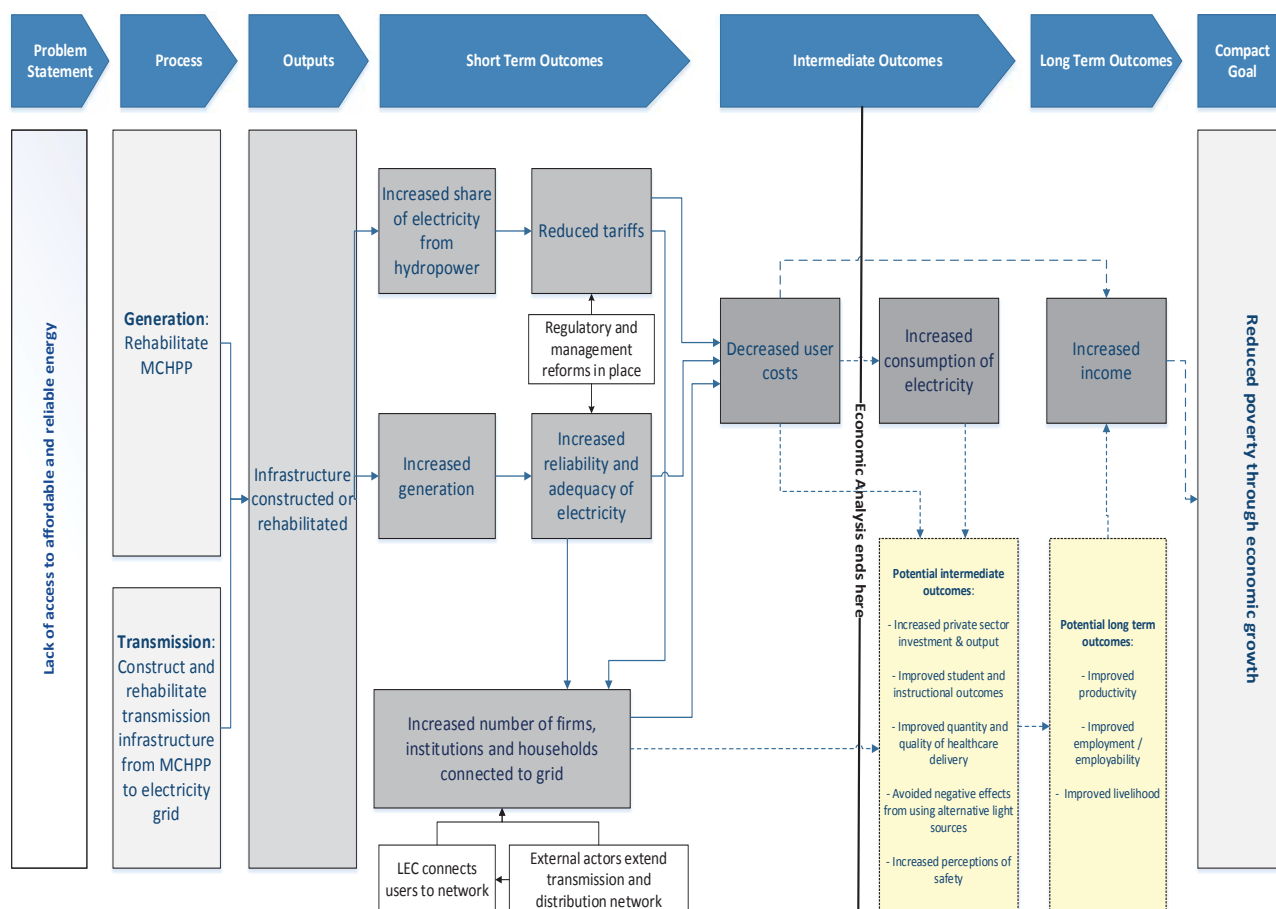
The M&E Plan will summarize the clearly defined compact-level logic model which illustrates how the Projects, Activities, and sub-activities (as necessary) contribute to the Compact Goal and Project Objectives. This higher level logic model will be complemented by lower level logic models at the Project, Activity, and/or sub-activity levels (as necessary) depending on Compact design and implementation. All logic models will clearly summarize the outputs, outcomes, and goal expected to result from the Program.

A diagram of the logic underlying the Compact is included below:

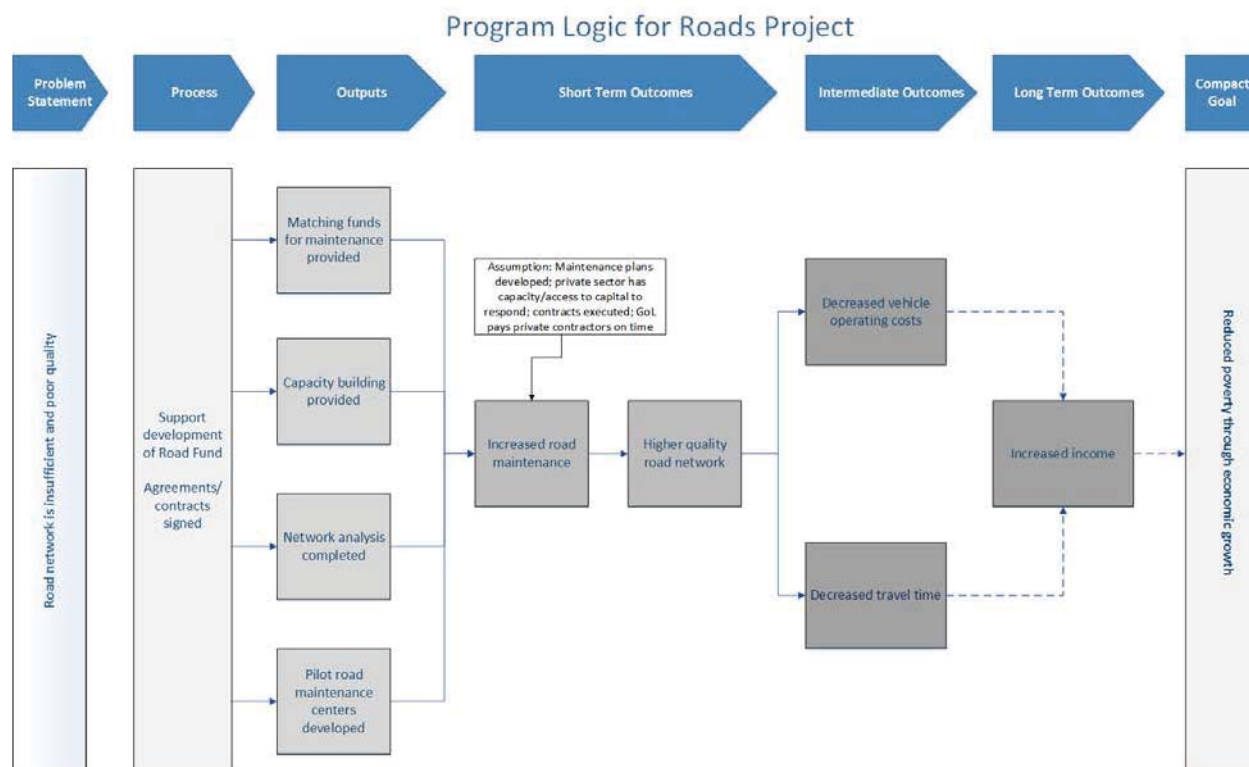


The Energy Project aims to improve various aspects of the energy sector in Liberia. The Mt. Coffee Rehabilitation Activity, aims to increase the amount of electricity generated in Liberia, facilitate a decrease in the overall electricity tariff, and contribute to increased reliability and adequacy of electricity. This Activity addresses the overarching problem in the energy sector, i.e. lack of access to affordable and reliable electricity, by targeting the insufficient supply of electricity in Liberia. Complementary activities in the Energy Project should support the results of the Mt. Coffee Rehabilitation Activity, address other root cause problems in the sector and/or mitigate negative impacts and risks of the investment.

Program Logic for Mt. Coffee Rehabilitation Activity



The Roads Project aims to improve the quality of Liberia's road network by supporting the piloting of a new maintenance regime and building capacity within the sector. Improved management of the road sector is expected to decrease vehicle operating costs and provide time savings for road users.



3. Projected Economic Benefits and Beneficiaries.

(a) Energy Project Economic Analysis.

Currently, the supply and distribution of electricity in Liberia is extremely limited, both in terms of the number of connections and the total demand of those connections. Current customers pay a high tariff, due to the expensive fuel price for the high speed diesel generators that are currently used for LEC's entire supply of electricity. After the completion of the Mt. Coffee Rehabilitation Activity, existing customers on the grid will receive a one-time benefit of the drop in tariff, and after that will receive benefits based on their consumption of grid-delivered electricity, as measured by the amount they pay for electricity. Customers already on the grid are expected to have a fairly minimal increase in demand due to the change in cost (in general, the price elasticity of demand for electricity is fairly low, though the income elasticity of demand for electricity is higher, so if there is an overall increase in incomes, we would expect demand to rise more quickly). The majority of the increase in demand is expected to be gained through additional connections to the grid. The economic rate of return depends heavily on this increase in demand from new connections.

New customers to the grid see a one-time benefit based on their estimated willingness to pay, and after that similarly receive benefits based on their consumption of grid-delivered electricity, as measured by the amount they pay for electricity.

Costs in the model include all costs related to the rehabilitation of MCHPP, plus the costs that consumers will have to pay to connect to the grid and any cost they incur in readying their dwellings or businesses to connect to the grid (i.e. any wiring changes or other upgrades, as indicated upon inspection).

The Mt. Coffee Support Activity, LEC Training Center Activity, and the Energy Sector Reform Activity costs are included in the analysis, but potential benefits are not quantifiable at present. Economic Analysis for these Activities is pending, but will be undertaken once designs for these Activities are complete. All Activities for which we develop ERRs should meet the hurdle rate of 10 percent. Currently, the ERR point estimate for the Energy Project is 11 percent with an estimated ERR range, including all costs, of 3 – 17 percent, depending largely on the number of additional connections made by LEC during the lifetime of the Compact. Having sufficient demand connected to the grid remains the largest risk to the ERRs reaching the hurdle rate.

(b) Roads Project Economic Analysis.

Economic analysis is not currently available for the Roads Project. Economic analysis for the Roads Project is pending, but will be undertaken once designs and feasibility studies for this Project are finalized. All activities for which we develop ERRs should meet the hurdle rate of 10 percent.

(c) Beneficiary Analysis.

The M&E Plan will also define in detail the persons or entities expected to benefit from the Program. Beneficiary analysis is an extension of economic rate of return analysis that seeks to disaggregate the total increase in income to determine specifically which segments of society will benefit from the Program. MCC considers beneficiaries¹ of projects to be those people who experience better standards of living as a result of the project through higher real incomes (in this case, through cost savings). The expected beneficiaries of this Compact are shown in the following table:

Project	Estimated Beneficiary Range	Estimated Beneficiaries
Energy Project	256,000 to 768,000	460,000
Roads Project	TBD	TBD

(d) Assumptions and Risks.

The M&E Plan will also outline key assumptions and risks that underlie the program logic. However, such assumptions and risks will not excuse any Party's performance unless otherwise expressly agreed to in writing by the other Party. The known assumptions and risks include:

¹ As used in this Compact, the term "beneficiary" has the meaning described MCC's *Guidelines for Economic and Beneficiary Analysis*.

Energy Project

- Returns to the Energy Project are heavily dependent on increasing the demand for new generation and establishing new connections to the grid. There is currently uncertainty about the number and pace that can be expected for new connections.
- LEC currently has both technical and management capacity constraints based upon the current capacity of its staff, as well as the failure of the management contract to meet its capacity building goals. In addition, the financial condition of LEC is very weak due to low cash flow resulting from problems with billing and collections as well as delays in improvements in generation, transmission and distribution infrastructure.

Roads Project

- The sustainability and the functionality of the RMCs depends on the advancement of reforms in the road sector and a steady stream of revenue to finance maintenance and operating expenses.
- Increased maintenance depends on road contractors being ready and able to assume maintenance works. There is a risk that the private sector does not have the technical or financial capacity to respond to the Government's maintenance needs.

4. Monitoring Component.

As defined in the MCC M&E Policy, monitoring is the continuous, systematic collection of data on specified indicators to provide indications of progress toward objectives and the achievement of intermediate results along the way. To monitor progress toward the achievement of results of this Compact, the Monitoring Component of the M&E Plan will identify (a) the Indicators (as defined below), (b) the definitions of the Indicators, (c) the sources and methods for data collection, (d) the frequency for data collection, (e) the party or parties responsible for collecting and analyzing relevant data, (f) the timeline for reporting on each Indicator to MCC and (g) required disaggregations (all indicators should be sex disaggregated when possible). It should be noted that some Indicators will continue to be tracked in a Post Compact M&E Plan after this Compact expires, as described further below.

Goal, Outcome, Output, and Process Indicators. The M&E Plan will measure the results of the Program using quantitative, objective, and reliable data ("**Indicators**").

(i) The M&E Plan will establish baselines for every Indicator (each, a "**Baseline**"). An Indicator's Baseline should be established prior to the start of the corresponding Project, Activity and/or sub-activity. Baselines demonstrate that the problem can be specified in measurable terms, and are thus a pre-requisite for adequate intervention design. The Government will collect Baselines on the selected Indicators or verify already collected Baselines where applicable.

(ii) The M&E Plan will establish a benchmark for each Indicator that specifies the expected value and the expected time by which the result will be achieved ("**Target**").

(iii) The M&E Plan will indicate which Indicators will be disaggregated by sex, income level, and age, and beneficiary types to the extent practical and applicable.

(iv) MCC's Common Indicators (as described in the MCC M&E Policy) will also be included as relevant.

(v) Subject to prior written approval from MCC and in accordance with the MCC M&E Policy, the Government may add Indicators or refine the definitions and Targets of existing Indicators.

(vi) MCA-Liberia must report to MCC on monitoring Indicators in the M&E Plan on a quarterly basis using an Indicator Tracking Table ("**ITT**") in the form provided by MCC. No changes to Indicators, Baselines or Targets may be made in the ITT until the changes have been approved in the M&E Plan. Additional guidance on indicator reporting is contained in *MCC's Guidance on Quarterly MCA Disbursement Request and Reporting Package*. In the case that MCA-Liberia submits a six-month disbursement request, the ITT must still be submitted quarterly.

Key Indicators that can be reported on at least an annual basis will be included in quarterly monitoring Indicator reports, while Indicators that require survey data or a longer time period to track will be tracked for evaluation purposes. The M&E Plan will contain the monitoring Indicators listed in the following tables. Under the Energy Project, indicators for the Mt. Coffee Rehabilitation Activity have been identified; however, indicators for the Mt. Coffee Support Activity, LEC Training Center Activity, and Energy Sector Reform Activity have not been included in the following tables and will be identified in the M&E Plan.

Table 1.1: Energy Project Monitoring Indicators

Energy Project Mt. Coffee Rehabilitation Activity					
Result	Indicator	Definition	Unit	Baseline	Compact Target
Outcome Indicators					
Increased consumption of electricity	Total electricity sold	Total megawatt hours of electricity sales to all customer types	Megawatt hours	TBD ²	289,396
Reduced tariffs	Electricity tariff	Average tariff per kilowatt-hour	US Dollars	0.52	TBD
Increased reliability and adequacy	System Average Interruption Frequency Index	Sum of the number of interruptions in a quarter/Total number of customers connected to network in the same quarter	Rate	TBD ³	TBD

² The baseline year will be the 2015 LEC year (July 2014 to June 2015). Data for May and June 2015 is not currently available, so the baseline will be provided in the initial M&E Plan.

³ The baseline will be a quarterly average from the 2015 LEC year (July 2014 to June 2015). Data for May and June 2015 is not currently available, so the baseline will be provided in the initial M&E Plan.

Energy Project Mt. Coffee Rehabilitation Activity					
Result	Indicator	Definition	Unit	Baseline	Compact Target
Increased reliability and adequacy	System Average Interruption Duration Index	Sum of durations, in customer-hours, of all customer interruptions in a quarter/Total number of customers connected to network in the same quarter	Hours	TBD ⁴	TBD
Increased number of firms, institutions, and households connected to the grid	Customers added	Number of new customers that have gained access to a legal connection to electricity service from LEC	Number	0	91,502
Output Indicators					
Infrastructure Constructed or Rehabilitated	Generation capacity added	Generation capacity added, measured in megawatts, resulting from construction of new generating capacity or reconstruction, rehabilitation, or upgrading or existing generating capacity funded with MCC support	Megawatts	0	88
Infrastructure Constructed or Rehabilitated	Kilometers of transmission line upgraded or built	The sum of linear kilometers of new, reconstructed, rehabilitated, or upgraded transmission lines that have been energized, tested and commissioned with MCC support	Kilometers	0	51

Table 1.2: Roads Project Monitoring Indicators

Roads Project					
Result	Indicator	Definition	Unit	Baseline	Compact Target
Outcome Indicators					
Higher quality road network	Roughness	The roughness of the road classified network measured by the international roughness index, disaggregated by paved and unpaved	Meters per kilometer	TBD ⁵	TBD

⁴ The baseline will be a quarterly average from the 2015 LEC year (July 2014 to June 2015). Data for May and June 2015 is not currently available, so the baseline will be provided in the initial M&E Plan.

⁵ The baseline for this indicator will be informed by the network analysis to be supported by the Roads Project.

Roads Project					
Result	Indicator	Definition	Unit	Baseline	Compact Target
Increased road maintenance	Percentage of roads maintained according to the maintenance plan	Number of kilometers receiving maintenance / Number of kilometers that needed maintenance according to the maintenance plan, disaggregated by emergency, routine, and periodic maintenance	Percentage	N/A	TBD
Increased road maintenance	Expenditures on road maintenance	Actual expenditures on road maintenance, disaggregated by emergency, routine, and periodic maintenance	US Dollars	TBD ⁶	TBD
Increased road maintenance	Fuel levy collected and provided to the Road Fund	Actual amount deposited in the Road Fund account compared to the amount planned/budgeted for in the maintenance plan	Percentage	0%	100%
Output Indicators					
Matching funds for maintenance provided	Matching funds for road maintenance provided by MCC	Matching funds provided to the Government by MCC for road maintenance	US Dollars	0	8,000,000
Capacity building provided	Staff trained	TBD	Number	0	TBD
Pilot road maintenance centers developed	Pilot road maintenance centers developed	Pilot road maintenance centers built or rehabilitated, equipped, and staffed	Number	0	2
Process Indicators					
Support development of road fund	Road fund established	Passage of road fund legislation	Date	N/A	October 2016
	Axle control law passed	Passage of axle control legislation	Date	N/A	October 2016

5. Evaluation Component.

While good program monitoring is necessary for program management, it is not sufficient for assessing ultimate results. MCC therefore advocates the use of different types of evaluations as complementary tools to better understand the effectiveness of its programs. As defined in the MCC M&E Policy, evaluation is the objective, systematic assessment of a program's design, implementation and results. MCC is committed to making its evaluations as rigorous as warranted in order to understand the causal impacts of its programs on the expected outcomes and to assess cost effectiveness. The Evaluation Component of the M&E Plan may contain three types of evaluation activities as necessary: (i) independent evaluations (impact and/or performance evaluations); (ii) self-evaluation, and (iii) special studies, each of which is further described in the MCC M&E Policy.

⁶ The baseline for this indicator will be established with input from the Ministry of Public Works.

(a) Independent Evaluations. According to the MCC M&E Policy, every Project in a Compact must undergo a comprehensive, independent evaluation (impact and/or performance). The Evaluation Component of the M&E Plan will describe the purpose of the evaluation, methodology, timeline, required MCC approvals, and the process for collection and analysis of data for each evaluation. All independent evaluations must be designed and implemented by independent, third-party evaluators. If the Government wishes to engage an evaluator, the engagement will be subject to the prior written approval of MCC. Contract terms must ensure non-biased results and the publication of results.

For each independent evaluation, MCA-Liberia is expected to review and provide feedback to independent evaluators on the evaluation design reports, evaluation materials (including questionnaires), baseline report (if applicable), and any interim/final reports in order to ensure proposed evaluation activities are feasible, and final evaluation products are technically and factually accurate.

For all evaluations described below, evaluation opportunities will be discussed with the Government once the MCC-contracted evaluators are on-board and more information is available about the design and implementation of each Project.

(i) Energy Project.

An independent evaluator will be hired to assess evaluation methodology options. The evaluation will be designed to capture the likely effects of the Project on the expected outcomes of reducing tariffs, increasing the reliability and adequacy of electricity as well as increasing connections to the electrical grid.

The M&E Plan is expected to contain the following evaluation questions; however, the final list of questions will be documented in the final evaluation design:

Energy Project Evaluation Questions	
1.	Was the Mt. Coffee Rehabilitation Activity implemented as planned?
2.	To what extent has increased electricity generation contributed to increased reliability and adequacy of electricity supplied?
3.	How has the electricity tariff changed since MCHPP was rehabilitated? To what extent does it cover the costs of electricity generation and other operating costs?
4.	Who has connected and what has been the pattern of users connecting to the grid? How did households and businesses decide whether to connect?
5.	To what extent are energy users changing their energy consumption and sources (such as moving away from the use of generators, kerosene, etc.)? Have the changes (if any) resulted in cost savings for users?
6.	How have changes in electricity availability and reliability affected what consumers use electricity for? How do changes in use vary across different types of users, e.g., households/firms/institutions, or by demographic group?
7.	How sustainable is MCHPP? How has the compact contributed to the commercial viability of LEC as a utility?

(ii) Roads Project.

The evaluation of this Project is expected to be a performance evaluation, using a well-known quantitative model for assessing the results of road improvements, in addition to political economy analysis of the road maintenance regime. The evaluation will be designed to capture the likely effects of the Project on road maintenance funding and execution, the quality of the road network, vehicle operating costs and travel time.

The M&E Plan is expected to contain the following evaluation questions; however, the final list of questions will be documented in the final evaluation design:

Roads Project Evaluation Questions
1. Was the Roads Project implemented according to plan?
2. Did the Roads Project have any influence on the Government's maintenance regime and practice? What are the governance arrangements that explain road maintenance practices? How is the road maintenance regulated? How is the sector funded?
3. How were routine and periodic maintenance costs determined and planned by the Government before the Compact? Were there any changes made during the Compact period? What is the status of these procedures since the end of the Compact?
4. How effective have the RMCs been? What is the condition of the roads served by the RMCs compared to other roads in Liberia?
5. Have vehicle operating costs and travel time been affected by the any of the changes to the road maintenance regime and practice?
6. To what extent, if any, has the Roads Project affected private sector engagement in road maintenance?
7. How sustainable is the new road maintenance regime?

(b) Self-Evaluation. Upon completion of the Program, both MCC and MCA-Liberia will comprehensively assess three fundamental questions: (i) Did the Projects meet the Project Objectives; (ii) Why did the Projects meet or not meet these objectives; and (iii) What lessons can be learned from the implementation experience (both procedural and substantive). MCA-Liberia staff will draft a Compact completion report in the last year of compact implementation to evaluate these fundamental questions and other aspects of Program performance.

(c) Special Studies. Plans for conducting special studies will be determined jointly between the Government and MCC before the approval of the M&E Plan. The M&E Plan will identify and make provision for any special studies, *ad hoc* evaluations, and research that may be needed as part of the monitoring and evaluating of this Compact. Either MCC or the Government may request special studies or *ad hoc* evaluations of Projects, Activities, or the Program as a whole prior to the expiration of the Compact Term.

The results of all evaluations will be made publicly available in accordance with the MCC M&E Policy.

6. Data Quality Reviews.

Data Quality Reviews (“**DQR**”) are a mechanism to review and analyze the utility, objectivity, and integrity of performance information. DQRs cover (a) quality of data, (b) data collection instruments, (c) survey sampling methodology, (d) data collection procedures, (e) data entry, storage and retrieval processes, (f) data manipulation and analyses, and (g) data dissemination. MCC requires that an independent entity conduct the DQR, such as a local or international specialized firm or research organization, or an individual consultant, depending on the size of the program or project under review. The frequency and timing of data quality reviews must be set forth in the M&E Plan; however MCC may request a DQR at any time. DQRs should be timed to occur before or early enough in the Compact Term that meaningful remedial measures (if any) may be taken depending on the results of the review. The methodology for the review should include a mix of document and record reviews, site visits, key informant interviews, and focus groups.

7. Other Components of the M&E Plan.

In addition to the monitoring and evaluation components, the M&E Plan will include the following components:

(a) Management Information System. The M&E Plan will describe the information system that will be used to collect data, store, process and deliver information to relevant stakeholders in such a way that the Program information collected and verified pursuant to the M&E Plan is at all times accessible and useful to those who wish to use it. The system development will take into consideration the requirement and data needs of the components of the Program, and will be aligned with existing MCC systems, other service providers, and ministries.

(b) Budget. A detailed cost estimate for all components of the M&E Plan.

(c) Responsibility for Developing the M&E Plan.

MCC desires to “[refrain] from requesting the introduction of performance Indicators that are not consistent with countries’ national development strategies.”⁷ For this reason, primary responsibility for developing the M&E Plan lies with the M&E staff of MCA-Liberia with support and input from MCC’s M&E and economist staff. The M&E Plan must be developed in conjunction with key stakeholders, including MCA-Liberia leadership and sector leads, the MCC Resident Country Mission, and other MCC staff (such as Environmental and Social Performance and Gender and Social Inclusion), as well as external stakeholders, as applicable. While the entire M&E Plan must be developed collaboratively, MCC and MCA-Liberia Project/Activity leads are expected to guide the selection of Indicators at the process and output levels that are particularly useful for management and oversight of Projects and Activities.

(d) Approval and Implementation of the M&E Plan.

⁷ Busan Partnership for Effective Development Cooperation, Busan Outcome Document, 1 December 2011, p. 5

The approval and implementation of the M&E Plan, as amended from time to time, will be in accordance with the Program Implementation Agreement, any other relevant Supplemental Agreement and the MCC M&E Policy. All M&E Plan modifications made by MCA-Liberia must be submitted to MCC for formal approval. The M&E Plan may undergo peer review within MCC before the beginning of the formal approval process.

(e) Post Compact M&E Plan.

As part of the planning process for winding up the Program at the end of the Compact Term, MCC and MCA-Liberia will develop a post-Compact M&E Plan designed to observe the persistence of benefits created under the Compact. This plan should describe future monitoring and evaluation activities, identify the individuals and organizations that will undertake these activities, and provide a budget framework for future monitoring and evaluation that reflects the Government's and MCC's contributions. The post-Compact M&E Plan should build directly off the Compact M&E Plan.

ANNEX IV

DEFINITIONS

609(g) Agreement has the meaning provided in Section 3.2(b).

Activity has the meaning provided in Part B of Annex I.

Additional Representative has the meaning provided in Section 4.2.

AfDB has the meaning provided in paragraph 1(g) of Part B of Annex I.

Audit Guidelines has the meaning provided in Section 3.8(a).

Baseline has the meaning provided in Section 4(i) of Annex III.

Board has the meaning provided in Part C.1(a) of Annex I.

Compact has the meaning provided in the Preamble.

Compact Goal has the meaning provided in Section 1.1.

Compact Records has the meaning provided in Section 3.7(a).

Compact Term has the meaning provided in Section 7.4.

Constraints Analysis has the meaning provided in Part A.1(a) of Annex I.

Covered Provider has the meaning provided in the Audit Guidelines.

Disbursement has the meaning provided in Section 2.2.

DoE has the meaning provided in Part B.1(a)(iv)(A) of Annex I.

DoT has the meaning provided in Part B.2(a)(ii)(A) of Annex I.

DQR has the meaning provided in the Part 6 of Annex III.

EIB has the meaning provided in Part B.1(a)(i) of Annex I.

Energy Project means the project described in Section 1 of Part B of Annex I and whose Project Objectives are outlined in Section 1.2.

EPA has the meaning provided in Part B.1(a)(iv) of Annex I.

ERR has the meaning provided in Part A.1(a) of Annex I.

ESIA has the meaning provided in Part B.1(a)(iv)(B) of Annex I.

ESMP has the meaning provided in Part B.1(a)(iv)(B) of Annex I.

EU has the meaning provided in Part B.1(a)(iv)(A) of Annex I.

Evaluation Component has the meaning provided in Section 1 of Annex III.

EVD has the meaning provided in Part A.1(a) of Annex I.

Fiscal Agent has the meaning provided in Part C.4 of Annex I.

GIZ has the meaning provided in Part B.2(d) of Annex I.

GoN has the meaning provided in Part B.1(a)(i) of Annex I.

Governance Guidelines means MCC's Guidelines for Accountable Entities and Implementation Structures.

Government has the meaning provided in the Preamble.

Grant has the meaning provided in Section 3.6(b).

Implementation Letters has the meaning provided in Section 3.5.

Implementing Entity has the meaning provided in Part C.3 of Annex I.

Implementing Entity Agreement has the meaning provided in Part C.3 of Annex I.

Indicators has the meaning provided in Section 4 of Annex III.

Inspector General has the meaning provided in Section 3.7(c).

Intellectual Property means all registered and unregistered trademarks, service marks, logos, names, trade names and all other trademark rights; all registered and unregistered copyrights; all patents, inventions, shop rights, know how, trade secrets, designs, drawings, art work, plans, prints, manuals, computer files, computer software, hard copy files, catalogues, specifications, and other proprietary technology and similar information; and all registrations for, and applications for registration of, any of the foregoing, that are financed, in whole or in part, using MCC Funding.

ITT has the meaning provided in the Part 4(vi) of Annex III.

KfW has the meaning provided in Part B.1(a)(i) of Annex I.

kV has the meaning provided in Part B.1(a)(i) of Annex I.

LEC has the meaning provided in Part B.1(a) of Annex I.

LEC Training Center has the meaning provided in Part B.1(a)(iii) of Annex I.

Liberia has the meaning provided in the Preamble.

M&E has the meaning provided in the first paragraph of Annex III.

M&E Plan has the meaning provided in the first paragraph of Annex III.

Management Team has the meaning provided in Part C.1(c) of Annex I.

MCA Act has the meaning provided in Section 3.3.

MCA-Liberia has the meaning provided in Section 3.2(b).

MCC has the meaning provided in the Preamble.

MCC Environmental Guidelines has the meaning provided in Section 2.5(c).

MCC Funding has the meaning provided in Section 2.1.

MCC Gender Policy means the MCC Gender Policy (including any guidance documents issued in connection with such policy).

MCC M&E Policy has the meaning provided in the first paragraph of Annex III.

MCC Program Closure Guidelines means the MCC Program Closure Guidelines (including any guidance documents issued in connection with such guidelines).

MCC Program Procurement Guidelines has the meaning provided in Section 3.6(a).

MCC Website means the MCC website at www.mcc.gov.

MCHPP has the meaning provided in Part B.1(a)(i) of Annex I.

MLME has the meaning provided in Part B.1(a) of Annex I.

Monitoring Component has the meaning provided in Section 1 of Annex III.

MoT has the meaning provided in Part B.2(c) of Annex I.

MPW has the meaning provided in Part B.2(c) of Annex I.

Multi-Year Financial Plan Summary has the meaning provided in Part I of Annex II.

MW has the meaning provided in Part B.1(a)(i) of Annex I.

PAPs has the meaning provided in Part B.1(a)(ii)(A) of Annex I.

Party and Parties have the meaning provided in the Preamble.

Permitted Account has the meaning provided in Section 2.2.

PIU has the meaning provided in Part B.1(a)(i) of Annex I.

Pre-Existing Donors has the meaning provided in Part B.1(a)(i) of Annex I.

Principal Representative has the meaning provided in Section 4.2.

Procurement Agent has the meaning provided in Part C.5 of Annex I.

Program has the meaning provided in the recitals to this Compact.

Program Assets means any assets, goods or property (real, tangible or intangible) purchased or financed in whole or in part (directly or indirectly) by MCC Funding.

Program Guidelines means collectively the Audit Guidelines, the MCC Environmental Guidelines, the MCC Guidelines for Accountable Entities and Implementation Structures, the MCC Program Procurement Guidelines, the Reporting Guidelines, the MCC M&E Policy, the MCC Cost Principles for Government Affiliates Involved in Compact Implementation, the MCC Program Closure Guidelines, the MCC Gender Policy, the MCC Gender Integration Guidelines, the MCC Guidelines for Economic and Beneficiary Analysis, the MCC Standards for Global Marking, and any other guidelines, policies or guidance papers relating to the administration of MCC-funded compact programs, in each case, as such may be posted from time to time on the MCC Website.

Program Implementation Agreement and **PIA** have the meaning provided in Section 3.1.

Project(s) has the meaning provided in Section 1.2.

Project Objective(s) has the meaning provided in Section 1.2.

Provider means (i) any entity of the Government that receives or uses MCC Funding or any other Program Asset in carrying out activities in furtherance of this Compact or (ii) any third party that receives at least US\$50,000 in the aggregate of MCC Funding (other than as salary or compensation as an employee of an entity of the Government) during the Compact Term.

RAP has the meaning provided in Part B.1(a)(iv)(B) of Annex I.

Reporting Guidelines means the MCC Guidance on Quarterly MCA Disbursement Request and Reporting Package.

RMC has the meaning provided in Part B.2(a)(i) of Annex I.

Road Fund has the meaning provided in Part B.2(a)(i)(B) of Annex I.

Roads Project means the project described in section 2 of Part B of Annex I and whose Project Objectives are outlined in Section 1.2.

Stakeholders Committee has the meaning provided in Part C.1(d)(i) of Annex I.

Supplemental Agreement means any agreement between (A) the Government (or any Government affiliate, including MCA-Liberia) and MCC (including, but not limited to, the PIA), or (B) MCC and/or the Government (or any Government affiliate, including MCA-Liberia), on the one hand, and any third party, on the other hand, including any of the Providers, in each case, setting forth the details of any funding, implementing or other arrangements in furtherance of, and in compliance with, this Compact.

Target has the meaning provided in Section 4(ii) of Annex III.

Taxes has the meaning provided in Section 2.6(a).

United States Dollars or USD or US\$ means the lawful currency of the United States of America.

USAID has the meaning provided in Part B.1(e) of Annex I.

WB has the meaning provided in Part B.1(d) of Annex I.



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BOARD OF DIRECTORS

Meeting Minutes 011

December 16, 2019

I. CALL TO ORDER

This eleventh meeting of the MCA-Liberia Board of Directors, the notice of which was delivered on December 6, 2019, was called to order at 11:18 a.m. on December 16, 2019 at the MCA-Liberia Office in Mamba Point, Monrovia, Liberia by The Board Chairman, Hon. Samuel D. Tweah.

The following persons were present:

Board Members

1. Hon. Samuel D. Tweah, Minister of Finance and Development Planning (Chairman)
2. Mr. Monie R. Captan, MCA Liberia Chief Executive Officer (Board Secretary)
3. Atty. Michael P. Korkpor, Coordinator, Min. of State/PDU (Proxy for Min. of State Without Portfolio)
4. Atty. Vivian Neal, Association of Female Lawyers of Liberia (AFELL)
5. Mr. Charles E. Collins, Sr., Acting President, Liberia Chamber of Commerce (Proxy for the Private Sector Rep.)
6. Mr. Gesler E. Murray, Minister, Ministry of Mines & Energy
7. Mrs. Kateri Clement, MCC Resident Country Director (MCC Observer)

Other Attendees

8. Cllr. Isabel B. Diggs, MCA Liberia Legal Specialist
9. Mr. Nathaniel McGill, Minister of State for Presidential Affairs
10. Mr. Augustus Flomo, Deputy Minister, MFD

II. ADOPTION OF AGENDA

The Chairman of the Board, Hon. Samuel D. Tweah, directed the Legal Specialist, Cllr. Isabel B. Diggs, to read the agenda. After the agenda was read, the Board Members present then unanimously approved the agenda.

III. WELCOME STATEMENT – BOARD CHAIRMAN

Following the adoption of the Agenda, the Chairman welcomed everyone and reemphasized the Government's support of the Compact. He also urged the management of MCA-Liberia to effectively implement the Compact during this fifth and final year.

IV. REVIEW AND ADOPTION OF THE MINUTES OF THE SEPTEMBER 26, 2019 MEETING

The Chairman instructed the Legal Specialist to provide the Board with a high-level summary of the previously circulated minutes of the September 26, 2019 Board Meeting. Following the presentation of the high-level summary of the minutes, the Chairman requested that the action items that arose out of the minutes be discussed.

Discussion of Action Items:

- a. An amendment to the LEC management services contract has been developed to make ESBI responsible to, amongst other things, manage a LEC donor conference with the aim of ultimately obtaining additional donor funds to support the long-term sustainability of LEC.
- b. The LEC Utility Training Consultant contract was awarded this week.
- c. Procurement for the works contractor and supervising engineer for the LEC Customer Service Center (CSC) Rehabilitation has commenced and the technical evaluation report has been submitted to MCC for No Objection.
- d. The groundbreaking of the construction phase of the Raw Water Pipeline was performed by President George M. Weah on November 1, 2019.
- e. The second draft of the Liberia Compact Program Closure Plan was submitted to MCC for technical review and will be submitted this week for MCC's No Objection.
- f. The electricity sector Donor Conference has been postponed to early next year for the purpose of the Government directly engaging donors to support the sustainability of LEC.
- g. The Chairman stated the GoL and Donor Partners have requested clear deliverables to enable them to reach a decision regarding the LEC management services contract.

There being no further discussions on the action items, it was moved by Minister Gesler Murray and seconded by Mr. Charles Collins that the minutes be adopted. The Board Members present then unanimously approved the motion to adopt the minutes.

V. UPDATE ON MCA-LIBERIA'S ACTIVITIES – MCA-LIBERIA CEO

The CEO of MCA-Liberia updated the Board with the current Compact implementation status that highlighted the following:

a. Financials. The CEO noted that, as of December 13, 2019, 85% of the total Compact funds have been committed and 73% have been disbursed. He explained that US\$187m has been disbursed, most of which was for the Mt. Coffee Hydro rehabilitation and the Energy Sector Reform Activity. The bulk of the uncommitted funds are related to the Roads Project. The CEO stated that we may be left with 7-10% of funding not committed by end of the Compact and that depends on whether MCC will approve the reallocation of the Road Project's funds.

b. Energy Project.

i. LEC Training. TATA Power, a utility training consultant (UTC) firm, has been procured to provide on-the-job training for LEC technical staff, train trainers, provide printed training materials, tools and equipment, develop a training management system and develop a master and strategic plan for training and human capacity development. The deployment is expected to commence in January of 2020. The CEO explained that there may be a need to increase the number of workdays TATA Power will be in country to carry out the training.

ii. LEC Management Services Contract (MSC). The CEO informed the Board that the existing contract with ESBI is for three years certain with the option of two additional years. The Compact is funding the certain period and there are only thirteen months of the certain period remaining. He emphasized the need for the GOL to make a decision as to whether it will exercise the two-year optional period.

The Chairman explained that ESBI would need to provide a detailed plan on how they will tackle the issues LEC continues to face and this plan would need to be submitted soon in order to inform the Government's decision-making.

iii. LEC Customer Service Center (CSC) Support. The CEO explained that the Bid evaluation for renovation works has been completed and the contract is expected to be awarded in January 2020. The procurements that are associated with this project are currently on going or about to be launched. These procurements include furniture, IT materials, equipment, vehicles, generator and software applications and support. A temporary facility will be rented for LEC customer service to operate from during the renovation works. Procurement is almost completed for the lease of the facility with evaluation report due this month.

iv. Liberia Electricity Regulatory Commission (LERC). The CEO highlighted the appointment of the Chairman of the Board of Commissioners to the Central Bank of Liberia. He stated this appointment has created a vacancy that the

Compact's Conditions Precedent (CPs) require to be filled with a qualified person. He emphasized the need for GOL to start thinking of a suitable replacement. He also mentioned that the LERC would need to begin consideration of a regulatory fee schedule that will enable it to sustain the entity beyond the Compact.

- v. Raw Water Pipeline. The CEO explained that most of the resettlement payments to the project affected persons have been completed except a few with issues related to legal title. The construction of the pipeline commenced on November 1, 2019 and the project is scheduled to be completed in August 2020.
- vi. Prawn Passage Construction. The CEO stated that the project has a high procurement and completion risk due to the shortness of time and the fact that the construction works would most likely be carried out during the rainy season. Final design is due January 2020 and completion is estimated for October 2020.
- c. Roads Project: The CEO stated that there were no new implementation updates to be provided on the Roads Project.
- d. Program Closure Plan: The CEO provided background information on the Program Closure Plan (PCP) and updated the Board on the status of the PCP approval schedule. He stated that the PCP was submitted to MCC for no objection and MCC is expected to provide its response by January 6, 2020. The MCA-Liberia Board would then review and provide its approval by January 13, 2020. The Implementation Letter between MCC and the GoL would then be signed by January 20, 2020 in order to meet the requirement of having the PCP approved at least one year before the January 20, 2021 Compact End Date.
- e. Key Compact Risks: The CEO proceeded to list the following risks that are currently hampering the chances of achieving the Compact's objectives for the Energy Project:
 - i. LEC may be left without capable management upon the expiration of the MSC's certain period in January 2021 and that may have an effect on the amount of donor support LEC may receive, which would hinder LEC's ability to transform into a viable commercial entity.
 - ii. Mt. Coffee Hydropower Plant may face serious sustainability issues related to LEC's inability to pay the hydro's Operation, Maintenance and Training contractor when the Compact's funding of the contract is exhausted.
 - iii. LERC may face sustainability challenges at the end of MCC's budgetary support.

- f. Current and Upcoming Events: The CEO informed the Board of the Annual Strategic Planning Workshop held at Farmington Hotel from December 11 – 13, 2019. The Workshop produced MCA-Liberia's Consolidated Work Plan up to Compact End Date.

VI. NEW BUSINESS

There was no New Business to be discussed.

VII. AOB

There was no other business brought up for discussion.

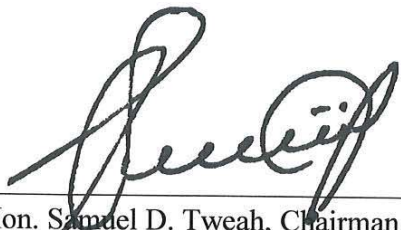
VIII. ADJOURNMENT

The Board Chairman adjourned the meeting at 12:15 p.m.

Minutes submitted by:


Monie Captan, Secretary

Minutes approved by:


Hon. Samuel D. Tweah, Chairman



MCA-Liberia

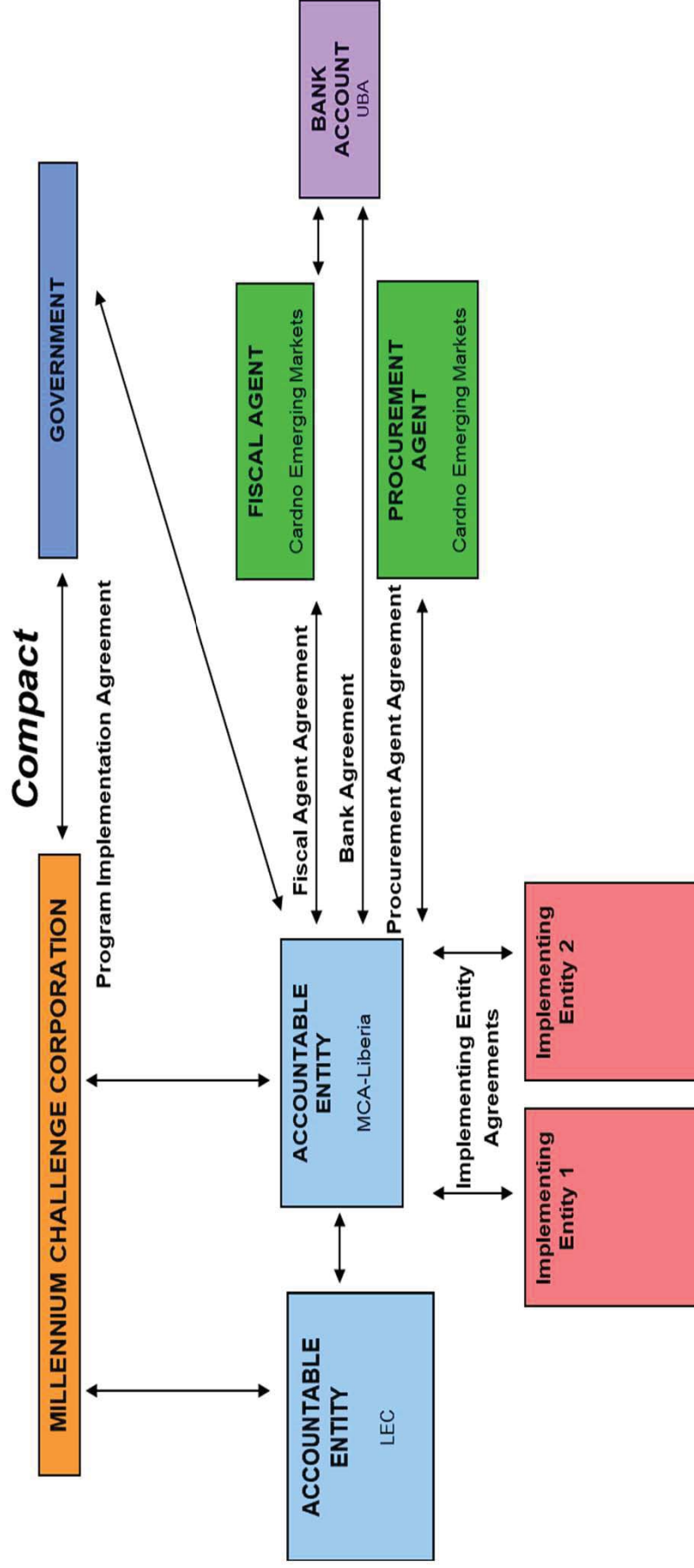
Compact Program Overview



Millennium Challenge Compact and Program Implementation Agreement



- The Millennium Challenge Compact and the PIA are the foundational legal documents of the program to access MCC funds to reduce poverty by increasing economic growth in Liberia
- Both the Compact and the PIA were signed by the Minister of Finance and Development Planning, who is the GoL's principal representative under both agreements
- The Compact and the PIA were approved by the National Legislature and approved by the President
- As ratified international agreements, the Compact and PIA are treaties between the United States and Liberia





Role of MCA-Liberia



- MCA-Liberia was established by an Act of Legislature on October 15, 2015 and approved by the President on October 23, 2015
- Under the Compact, the GoL designated MCA-Liberia as its primary agent for the purposes of the Compact Program and to exercise and perform the GoL's right and obligation to oversee, manage and implement the Compact Program.
- Board oversees Compact Implementation and approves significant plans and agreements
- MCA-Liberia By-laws were adopted by the board at its first board meeting.



MCA-Liberia Board



- Made up of 9 Voting Members— 5 GoL, Chairman of the Board of LEC, CEO of MCA-Liberia, 1 private sector rep, and 1 rep from civil society.
- And at least 1 or more non-voting members - the MCC representative and others as approved by the GoL and MCC.



Board of Directors



➤ The Board's supervisory role

- Oversee – but not manage on a day-to-day basis – MCA-Liberia and Compact implementation by ensuring implementation complies with and furthers the Compact's stated Program Objective
- Provide the required approvals and perform the non-delegable responsibilities is reflected in the By-laws
- Certain other approval responsibilities may be delegated (ex: disbursement requests can be delegated to the CEO or to an executive committee of the Board)



Board of Directors



➤ The Board's supervisory role (continued)

- The selection (open and competitive), evaluation and compensation of Key Staff is subject to Board (and MCC) approval.
- The dismissal of any Key Staff is subject to Board (and MCC) approval.



Board of Directors



➤ The Board's strategic role

- critically consider the principal risks to successful Compact implementation and work with management to develop solutions within the Compact's framework
- ensure Compact implementation is carried out in a manner that enhances – and does not conflict with, duplicate or supplant – the GoL's overall agenda for poverty reduction and economic growth in Liberia.



Board of Directors



➤ The Board's fiduciary role

- Generally, the responsibility to safeguard Compact funds and Program Assets
- The Board member has an obligation of loyalty, that encompasses:
 - duty to act in good faith
 - may not profit from their role in MCA-Liberia
 - duty to avoid conflict of interest
 - duty of fair dealing



Board of Directors



➤ The Board's advocacy role

- Support MCA-Liberia to successfully implement the Compact
- As needed, work closely with GoL ministries, parastatals, and other stakeholders to identify Compact-related challenges and solutions
 - e.g., Board members may be called on to break bottlenecks



Management Unit



➤ Critical roles for the Management Unit:

- Assist the Board in its oversight responsibilities
- Principal responsibility for overall day-to-day management of Compact implementation
- Develop and administer plans, reports, procedures, and other documents and actions required under the Compact or otherwise necessary for implementation
- Conduct and oversee procurements / contracts / grants / agreements necessary to implement the Compact



Entities Supporting MCA-Liberia

- Implementing Entities (Program partners)
- Agents
 - Fiscal Agent
 - Procurement Agent
 - Bank



Implementing Entities



- The Compact anticipates that certain GoL ministries/entities will assist MCA-Liberia with implementation of the Program and receive support from MCA-Liberia under the Program.
- Roles and responsibilities of these implementing entities vis-à-vis MCA-Liberia will be agreed in an Implementing Entity Agreement.
- Implementing entities play key implementation support as well as data collection roles
- GoL's participation in reform processes can be enhanced through MCA-Liberia – IEA collaboration to ensure widespread support of reforms beyond the Compact term



Procurement Agent



- Manage the acquisition of the goods, works and services necessary to implement the Compact.
- Assist in development of procurement plan.
- Conduct procurements in an open, fair and competitive manner adhering to the Compact, the Program Implementation Agreement and the MCC Program Procurement Guidelines.



Fiscal Agent



- Ensure distributions of MCC funds are properly authorized and documented.
- Assist in development of Fiscal Accountability Plan.
- Maintain accounting, records and document disaster recovery systems for all MCC-funded transactions and other accounting functions.
- Produce reports on distributions of all MCC funds.



Bank



- Receive, hold and dispense certain MCC funds through approved “Permitted Accounts” .
- Act to transfer funds only upon receipt of valid payment instructions issued by the Fiscal Agent (or MCC in certain circumstances).
- Produce statements and transaction reports with respect to activities involving Permitted Accounts.



ACCESS TO MCC FUNDS



- With a procurement plan that has been approved by MCC and the Board, each quarter, MCA-Liberia submits a disbursement request package to MCC that asks for MCA-Liberia's authority to spend MCC funds on specific items for the ensuing quarter.
- The package is to be submitted to MCC twenty (20) days prior to the end of each quarter (March 10, June 10, September 10 and December 10) and it shall, at minimum, include:
 - Narrative Report
 - Disbursement Request/Quarterly Financial Report/Detailed Financial Plan
 - Procurement Performance Report
 - Indicator Tracking Table
 - Conditions Precedent Report



QUESTIONS?