

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**

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

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

/s/

/s/

Name: Dana J. Hyde
Title: Chief Executive Officer

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

**SIGNATURE PAGE TO 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**

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*”) that sets forth the signatory authority, access rights, anti-money laundering and anti-terrorist financing provisions, and other terms related to 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.