

PROGRAM IMPLEMENTATION AGREEMENT

BETWEEN

THE UNITED STATES OF AMERICA

AND

THE STATE OF BELIZE

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PROGRAM IMPLEMENTATION AGREEMENT

PREAMBLE

This PROGRAM IMPLEMENTATION AGREEMENT (this “*Agreement*”) is between the United States of America (the “*United States*”) and the State of Belize (“*Belize*”). The United States and Belize are collectively referred to as the “*Parties*” and each individually as a “*Party*.”

Recalling that on September 4, 2024, the Parties signed a Millennium Challenge Compact (the “*Compact*”) that sets forth the general terms on which the United States shall provide assistance of up to US\$125,000,000 to Belize for a program to reduce poverty through economic growth in Belize;

Recalling that Belize has designated MCA-Belize to carry out certain rights and obligations of Belize under the Compact and related agreements;

Recognizing that the Millennium Challenge Corporation, a United States government corporation (“*MCC*”), shall serve as an implementing agency for the United States under the Compact; 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 BELIZE

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 Belize.

(a) Country Responsibilities. Belize shall 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-Belize, adequate to enable them (each a “*Permitted Designee*”) to oversee and manage the implementation of the Program on behalf of Belize.

(b) Country Undertakings. Belize hereby affirms as follows:

(i) Impoundment; Liens or Encumbrances. Belize shall 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 Belize that would have the effect of allowing any such impoundment, rescission, sequestration, or liquidation 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, Belize shall promptly seek the release of such Lien and, if such Lien is required by a final and non-appealable court order, shall pay any amounts due to obtain such release; *provided, however,* that Belize shall not use MCC Funding, any portion of the Country Contribution, or any Program Assets to satisfy any such obligation.

(ii) Environmental and Social Performance. Unless MCC and Belize agree otherwise in writing, Belize shall 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 Environmental Guidelines, including the environmental and social performance standards set forth in the IFC Performance Standards that have been incorporated by reference into the Environmental Guidelines. Belize also shall ensure that the Projects and Activities comply with all national environmental laws, regulations, licenses, and permits, except to the extent such compliance would be inconsistent with the Compact. Where there is a difference between national environmental laws and regulations and the standards required by the Compact, Belize shall ensure that the stricter standard is followed. Unless MCC approves otherwise in writing, Belize shall fund all costs of environmental and social mitigation measures necessary for the Program (including, without limitation, costs of resettlement) that are not specifically provided for in the Compact, or that exceed the amount of MCC Funding and/or Country Contribution specifically allocated for such costs for any Project or Activity.

(iii) Gender and Social Inclusion. Unless MCC and Belize agree otherwise in writing, Belize shall 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 *Gender Policy, Counter-Trafficking in Persons Policy, and the Operational Requirements and Milestones for Social Inclusion and Gender Integration.*

Section 1.3 Role of MCA-Belize.

(a) Designation of MCA-Belize.

(i) Pursuant to Section 3.2(b) of the Compact, Belize has designated, a statutory corporation named Millennium Challenge Account-Belize (“*MCA-Belize*”), as the primary agent of Belize to implement the Program and to exercise and perform Belize’s right and responsibility to oversee, manage, and implement the Program, including without limitation, managing implementation of Projects and Activities, allocating resources and managing procurements, and exercising its rights and responsibilities under the CDF Agreement (the “*Designated Rights and Responsibilities*”). The Parties note that Belize remains ultimately responsible for the performance of Belize’s obligations under or in relation to the Compact and this Agreement.

(ii) Belize shall ensure that MCA-Belize is and remains throughout the Compact Term (and during the Closure Period as provided in the Closure Plan), duly organized, sufficiently staffed, and empowered to exercise the Designated Rights and Responsibilities.

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

(b) Additional Country Undertakings with Respect to MCA-Belize. Belize hereby affirms to MCC as follows:

(i) Power and Authorization. MCA-Belize has the power and authority to (A) bind Belize 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, or the Program Guidelines.

(ii) Country Responsibilities. MCA-Belize (A) shall carry out the Designated Rights and Responsibilities (including all obligations specified as MCA-Belize obligations in the Compact, this Agreement, the CDF 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, the CDF Agreement, any other Supplemental Agreement and the Program Guidelines, (B) except as provided in Section 2.5 or with respect to an Implementing Entity, shall not assign, delegate or otherwise transfer any of the Designated Rights and Responsibilities without the prior written consent of MCC, and (C) shall not undertake any activities, duties or responsibilities other than the Designated Rights and Responsibilities without the prior written consent of MCC.

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

(iv) Autonomy. Belize shall ensure that (A) no decision of MCA-Belize 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-Belize shall not be expanded, restricted or otherwise modified, except in accordance with this Agreement and the Compact.

(v) Governance of MCA-Belize. MCA-Belize shall adopt internal rules and regulations or bylaws (“*Bylaws*”) and a human resources manual (“*HR Manual*”), each in form and substance satisfactory to MCC, that together provide the framework for MCA-Belize’s operations and administration and the general terms and conditions for employment of its staff. MCA-Belize shall conduct its operations and management in accordance with the Governing Documents and the Governance Guidelines.

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

(vii) Insurance; Performance Guaranties. MCA-Belize shall, to MCC’s satisfaction, cause all Program Assets to be insured (including, without limitation, through self-insurance) and shall 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. Subject to the terms of the *Cost Principles for Government Affiliates*, MCC Funding may be used to pay the costs of obtaining such insurance. MCA-Belize (or, as appropriate and with MCC’s prior approval, another entity) shall 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-Belize (and MCC, if it so requests) shall be named as additional insureds on any such insurance. Belize shall promptly notify MCC of the payment of any proceeds from claims paid under such insurance or guaranty and shall ensure that such proceeds shall be used to replace or repair any lost or damaged Program Assets; **provided, however**, that, at MCC’s election, such proceeds shall be deposited in a Permitted Account as designated by MCA-Belize or as otherwise directed by MCC.

(viii) MCA-Belize Indemnity. If MCA-Belize is held liable under any indemnification or other similar provision of any agreement, then Belize shall pay such indemnity in full on behalf of MCA-Belize and shall not use MCC Funding, any portion of the Country Contribution, or any Program Assets to satisfy such obligation. In addition, Belize shall indemnify and hold harmless each member of MCA-Belize’s Board of Directors (including each observer), each member of any Stakeholder Committee and each of MCA-Belize’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-Belize, **provided, however**, that Belize shall 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, unlawful conduct or willful misconduct of such person; and **provided, further**, that Belize shall not use MCC Funding, any portion of the Country Contribution, or any Program Assets to satisfy its obligations under this Section 1.3(b)(viii).

ARTICLE 2.

IMPLEMENTATION FRAMEWORK

Section 2.1 Basic Framework The Program shall be implemented in accordance with the Compact, this Agreement, any other Supplemental Agreement, the Program Guidelines, and the terms and provisions of various implementation plans adopted by MCA-Belize and approved by MCC, setting forth the strategies and processes that will guide management and implementation of the Program. Principal among these implementation plans are the following: (i) one or more Work Plans, (ii) a Detailed Financial Plan, (iii) an Audit Plan, (iv) a Procurement & Grants Plan Package, (v) a Fiscal Accountability Plan, (vi) an M&E Plan, (vii) an Environmental and Social Management System, (viii) a Social and Gender Integration Plan, and (ix) an AFC Action Plan (collectively, the “**Principal Implementation Plans**”). From time to time, MCC may request MCA-Belize to submit clarifications or adjustments to any implementation plan and MCA-Belize shall ensure that the Program implementation is conducted in accordance with the approved implementation plans in addition to the terms of the Compact, this Agreement and any other Supplemental Agreement.

(a) Work Plans. MCA-Belize shall develop and implement a work plan, in form and substance satisfactory to MCC, for the overall administration of the Program and such other work plans relating to the Projects and/or Activities as MCC may request from time to time (collectively, the “**Work Plans**”).

(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 and the overall allocation of the Country Contribution to administer, monitor and evaluate the Program and to implement each Project (the “**Multi-Year Financial Plan**”). Except as MCC approves otherwise in writing, MCA-Belize shall develop and implement a detailed financial plan in accordance with the QDRP Policy, 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-Belize shall develop and implement the Audit Plan for the audit of the expenditures of the entities that are subject to audit pursuant to the Audit Guidelines. The Audit Plan shall be in form and substance satisfactory to MCC and shall be developed no later than sixty (60) days before the end of the first period to be audited.

(d) Procurement & Grants Plan Package. MCA-Belize shall prepare a procurement and grants plan package for both acquiring goods, works, and services and providing financial or in-kind assistance to implement the Compact (the “**Procurement & Grants Plan Package**”). The Procurement & Grants Plan Package shall be prepared and updated in accordance with the *Accountable Entity Procurement Policy & Guidelines* and the *Program Grant Guidelines*. In addition, no later than six months after the Compact is signed, MCA-Belize shall 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 shall be subject to MCC approval. Upon MCC's approval of the BCS, MCA-Belize shall publish the BCS on the MCA-Belize Website.

(e) Fiscal Accountability Plan. MCA-Belize shall develop and implement a manual (as approved by MCC) setting forth the principles, mechanisms and procedures (the "***Fiscal Accountability Plan***") that MCA-Belize shall use to ensure appropriate fiscal accountability for the use of MCC Funding and the Country Contribution. The Fiscal Accountability Plan shall also include, among other things, requirements with respect to (i) budgeting, (ii) accounting, (iii) cash management, (iv) financial transactions (receipts and payments), (v) opening and managing Permitted Accounts, (vi) personnel and payroll management, (vii) travel and vehicle use, (viii) asset and inventory control, (ix) audits, and (x) reporting. The Fiscal Accountability Plan shall be revised periodically, subject to review and approval by MCC.

(f) M&E Plan. MCA-Belize shall develop and implement an M&E Plan to serve as the primary governing document for monitoring and evaluation activities for the Program over the Compact Term and evaluation activities post-Compact Term. The M&E Plan shall be developed, implemented and updated in accordance with the *Policy for Monitoring and Evaluation of Compact and Threshold Programs*.

(g) Environmental and Social Management System. In accordance with Section 1.2(b)(iii), MCA-Belize shall ensure that activities undertaken, funded or otherwise supported in whole or in part (directly or indirectly) by MCC Funding or the Country Contribution comply with the Environmental Guidelines, including the IFC Performance Standards that are incorporated by reference therein. Specifically, MCA-Belize shall: (i) develop an Environmental and Social Management System at the Compact and/or Project or Activity level and cooperate with or complete, as the case may be, any environmental and social assessments and analyses required under the laws of Belize, the 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) as integral elements of the Environmental and Social Management System, ensure that Project or Activity-specific environmental and social management plans are developed as appropriate, maintained, and updated and all relevant measures contained in such plans are integrated into project design and construction, 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 risks and impacts identified during compact implementation.

(h) Social and Gender Integration Plan. To ensure gender and social inclusion across the Projects and Activities, and ensure compliance with the Gender Policy, *Counter-Trafficking in Persons Policy*, and the *Operational Requirements and Milestones for Social Inclusion and Gender Integration*, MCA-Belize shall: develop a comprehensive social and gender integration plan (the "***Social and Gender Integration Plan***") that, at a minimum: (i) documents and

consolidates key design measures and approaches to ensure that each Project will benefit excluded groups, including poor people and women; (ii) specifies any other actions to be taken during the Compact Term to meet the social inclusion and gender equality objectives for the Projects and address gender and inclusion risks; (iii) identifies and describes resources required to ensure implementation of required measures; (iv) identifies approaches for regular, meaningful, and inclusive consultations with women and structurally excluded groups; (v) sets forth strategies for consolidating the findings and recommendations of Project-specific social and gender analyses into final activity plans, contracting, and implementation structures; and (vi) ensures, through ongoing technical oversight and coordination during compact implementation, that project implementation is consistent with and incorporates the outcomes of the social and gender analyses and recommendations. MCA-Belize shall, on an annual basis, review and update the Social and Gender Integration Plan as needed to reflect lessons learned and Project-specific analysis.

(i) Anti-Fraud and Corruption Action Plan. MCA-Belize shall develop and adopt an anti-fraud and corruption action plan to articulate how MCA-Belize will supplement MCC-mandated controls to prevent fraud and corruption specific to its operating environment (the “*AFC Action Plan*”). The AFC Action Plan shall be created after completion of, and based on the findings of, an anti-fraud and corruption risk assessment carried out in compliance with the *Policy on Preventing, Detecting and Remediating Fraud and Corruption in MCC Operations*. Such anti-fraud and corruption risk assessment shall occur at a time agreed upon between MCA-Belize and MCC. MCC will approve the AFC Action Plan, monitor its implementation, and refine MCC’s oversight strategy in relation to the AFC Action Plan, when necessary.

Section 2.2 Notice to Providers; Incorporation.

MCA-Belize shall notify all Providers (and all other entities or individuals receiving MCC Funding or the Country Contribution in connection with the Program) of the requirements of Sections 2.7 and 3.7 of the Compact, and paragraphs (b), (c), and (d) of Section 3.8 of the Compact and shall include, or ensure the inclusion of, the requirements of such provisions in all agreements with a Provider.

Section 2.3 Reports; Notices.

(a) Unless MCC approves otherwise in writing, MCA-Belize shall provide to MCC the reports and information required by the QDRP Policy in such manner and form and at such times as specified in the QDRP Policy.

(b) If at any time during the Compact Term, Belize materially reallocates or reduces the allocation in its national budget of the normal and expected resources that Belize 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, Belize, acting through MCA-Belize, 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, reduction or failure to distribute.

(c) MCA-Belize shall provide to MCC in a timely manner and in any event no later than thirty (30) days after receipt of a written request by MCC such other reports, documents, or information related to the Program and in such manner and form as MCC may request from time to time.

(d) MCA-Belize shall periodically provide to MCC, in form and substance satisfactory to MCC, reports and information regarding the Country Contribution's application towards the objectives of the Program described in Section 2.6(a) of the Compact as required by the *Country Contributions Policy* (each, a "**Country Contribution Report**"). MCA-Belize shall provide the Country Contribution Reports to MCC on the schedule and in the manner specified in the *Country Contributions Policy*.

Section 2.4 Certain Transactions Subject to MCC Approval. Without limiting any MCC approvals provided for in any of the Program Guidelines, each of the following transactions, activities, agreements, and documents requires MCC's prior written approval:

- (a) Disbursements;
- (b) Each of the Principal Implementation Plans and any modifications to any such plan;
- (c) agreements between Belize and MCA-Belize, 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 of Directors (including any observer) or any Key Staff of MCA-Belize (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-Belize that is not arm's-length;

(f) any pledge of any MCC Funding, any portion of the Country Contribution, 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-Belize (including the Bylaws, HR Manual, 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-Belize;

(i) any change in character or location of any Permitted Account;

(j) (A) any change of any member of the Board of Directors (including any observer), of the member serving as the chairperson or in the composition or size of the Board of Directors, and the filling of any vacant seat of any member of the Board of Directors (including any observer), and (B) any change of any Key Staff of MCA-Belize or in the composition or size of its operations unit, and the filling of any vacant position of any Key Staff of MCA-Belize (including any process related to the recruitment and selection of any such Key Staff);

(k) any decision by MCA-Belize to engage, accept or manage any funds in addition to MCC Funding and the Country Contribution (including from Belize 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 formation or acquisition of a subsidiary or other related entity of MCA-Belize;

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

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

Section 2.5 Role of Certain Entities in Implementation.

(a) Fiscal Agent. MCA-Belize shall engage a Fiscal Agent, who shall 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 and following applicable certification by the Fiscal Agent, (iii) providing applicable certifications for Disbursement Requests, (iv) maintaining proper accounting of all MCC Funding and Country

Contribution financial transactions, and (v) producing reports on Disbursements in accordance with established procedures set forth in the Fiscal Agent Agreement or the Bank Agreement. MCA-Belize shall 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 approves otherwise in writing, the Fiscal Agent shall be a third party, independent of Belize.

(b) Auditors and Reviewers. MCA-Belize shall 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-Belize shall also engage one or more independent (i) reviewers to conduct reviews of performance and compliance under the Compact, which reviewer shall have the capacity to (A) conduct general reviews of performance or compliance, (B) conduct audits of environmental and social performance, and (C) conduct data quality assessments in accordance with the M&E Plan, as described more fully in Annex III to the Compact, and/or (ii) evaluators to assess performance as required under the M&E Plan (each, a “**Reviewer**”). MCA-Belize shall select the Auditor(s) and/or Reviewer(s) in accordance with the Audit Guidelines and the M&E Plan, as applicable. MCA-Belize shall 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**”).

(c) Procurement Agent. MCA-Belize shall engage a Procurement Agent to carry out and/or certify specified procurement activities in furtherance of the Compact and this Agreement. MCA-Belize shall 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 approves otherwise in writing, the Procurement Agent shall be a third party, independent of Belize.

(d) Outside Project Manager. MCA-Belize 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 *Accountable Entity Procurement Policy & Guidelines*, the appointment or engagement of any Outside Project Manager shall be made using a competitive selection process and, if required by the *Accountable Entity Procurement Policy & Guidelines*, shall be subject to approval by the Board of Directors and by MCC prior to such appointment or engagement. Upon such approval, MCA-Belize 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-Belize shall 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 shall be subject to the oversight of the Fiscal Agent and Procurement Agent. The Board of

Directors may determine that it is advisable to engage one or more Outside Project Managers and instruct MCA-Belize and, where appropriate, the Procurement Agent to commence and conduct the competitive selection process for such Outside Project Manager.

Section 2.6 Publicity and Transparency.

(a) Subject to Section 2.7, MCA-Belize shall give appropriate publicity to the Compact as a program to which the United States, through MCC, has contributed, including by identifying Project and Activity sites, and marking Program Assets, all in accordance with the *Standards for Global Marking*. Upon the termination or expiration of the Compact, Belize, upon MCC's request, shall cause the removal of any such references and markings on the website operated by MCA-Belize (the "***MCA-Belize Website***") or in any Belize or MCA-Belize publicity materials.

(b) MCA-Belize shall make information concerning implementation of the Compact publicly available, including by posting the following documents in English, on the MCA-Belize Website, all to the extent contemplated by and in accordance with the Governance Guidelines: (i) the Compact, this Agreement, and the CDF Agreement (including amendments thereto); (ii) minutes of the meetings of the Board of Directors, and minutes of the meetings of any Stakeholders Committees; (iii) the M&E Plan, along with periodic reports and final evaluations on Program performance; (iv) all environmental and social impact assessments and supporting documents for the Projects; (v) all audit reports by an Auditor and any periodic reports or evaluations by a Reviewer; (vi) a summary of all Disbursement Requests; (vii) all procurement and grant policies and procedures (including the BCS and all documents required to be made public by the *Accountable Entity Procurement Policy & Guidelines* and the *Program Grant Guidelines*); (viii) the AFC Action Plan and related implementation reports; (ix) the Governing Documents and any amendments thereto; and (x) 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 shall be subject to MCC's prior approval and must be consistent with any instructions provided by MCC in relevant Implementation Letters.

(c) Notwithstanding Section 2.6(b), information relating to procurements prior to the award of a contract and confidential information relating to MCA-Belize's agreements with employees, contractors and consultants shall be excluded from the information and documents made publicly available; ***provided, however***, that MCC and MCA-Belize shall mutually determine whether any information to be excluded is confidential.

Section 2.7 Branding and Enforcement.

(a) Subject to Section 4.2(g), MCC hereby grants MCA-Belize 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 *Standards for Global Marking*. Any such use of the logo and names shall be solely for the benefit of MCC, and not inure to the benefit of MCA-Belize. The

use of MCC's logo and names shall not create any agency or legal representation, and MCA-Belize has no authority to bind MCC in any way.

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

(c) MCA-Belize shall take all reasonable steps to ensure that the names "Millennium Challenge Account-Belize" and "MCA-Belize," as well as its own logo, shall enjoy maximum protection under the laws now or hereafter in effect in Belize throughout the term of this Agreement. This includes registering the names and logo as a trademark, if appropriate, monitoring unauthorized use by third parties, and enforcing MCA-Belize's legal rights if unauthorized use is discovered. MCA-Belize shall 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 Belize," "MCA-Belize" and/or MCA-Belize's logo; or (ii) the names "Millennium Challenge Corporation," "MCC" and/or MCC's logo. MCA-Belize shall provide MCC assistance to enforce MCC's rights to the names "Millennium Challenge Corporation" and "MCC," as well as to MCC's logo.

Section 2.8 Country Contribution.

(a) In accordance with Section 2.6(a) of the Compact, Belize shall make a Country Contribution toward meeting the objectives of the Compact. Such contribution shall be in addition to Belize's spending allocated toward such objectives in its budget for the year immediately preceding the year that the Compact is signed and shall comply with the provisions of the *Country Contributions Policy*. Annex III to this Agreement sets forth the notional schedule and budget allocation of the Country Contribution to the Projects and Program Administration over the period from the signing of the Compact to the end of the Compact Term. Annex IV to this Agreement sets forth the principles governing the use of the Country Contribution.

(b) Unless otherwise agreed by the Parties in writing, contributions denominated in the local currency of Belize or other foreign currency shall be recorded and converted to United States Dollars at the exchange rate on the date the contribution payment is made or using an average rate over the period of contribution, in each case, using the exchange rates published by the central bank of Belize or such other source acceptable to MCC.

ARTICLE 3.

DISBURSEMENT OF MCC FUNDING

Section 3.1 Disbursement Process.

(a) Disbursement Requests. MCA-Belize may request Disbursements to be authorized under the Compact by submitting a request to MCC in accordance with the QDRP Policy. Requests may be made on a quarterly basis for the upcoming quarter, or such other period of time as approved by MCC (such quarter or other period of time, each a “***Disbursement Period***”) and shall be accompanied by various reports and other information related to program implementation (each request together with such reports and other information, a “***Disbursement Request***”). Requests for Disbursement of Program Funding and Compact Facilitation Funding for any Disbursement Period shall be made by separate Disbursement Requests.

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

(i) Upon receipt of a Disbursement Request, MCC shall determine the appropriate amount of the Disbursement to be authorized based on, among other things, (A) the progress achieved on any Project or Activity for which funds are requested, (B) the amount of funds required to complete the activities described in the Disbursement Request during the corresponding Disbursement Period, and (C) the satisfaction, waiver or deferral of applicable conditions to such Disbursement. MCC may, in its 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 election, (A) to a Permitted Account or (B) directly to a third party via the Common Payment System as payment for amounts owed by MCA-Belize for implementation of the Program; ***provided however***, that expenditures of such proceeds (including amounts transferred directly to a third party) are authorized by MCA-Belize, 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) Unless MCC approves otherwise in writing, MCA-Belize shall establish one or more accounts in the local currency of Belize (each, a “***Local Account***”) and one or more accounts in United States Dollars (each, a “***USD Account***”) at a financial institution acceptable to MCC. Each Local Account and USD Account is considered a Permitted Account and must be interest-bearing to the extent practicable. In addition, if needed, MCC and MCA-Belize shall mutually agree in writing to the establishment of one or more additional bank accounts for the deposit of the Country Contribution (the “***Country Account***”), which shall also be considered a Permitted Account. MCA-Belize shall 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 MCC approves otherwise in writing, no funds shall be co-mingled in any Permitted Account set up to receive MCC Funding other than MCC Funding and accrued interest and earnings thereon. Likewise, no funds other than the Country Contribution and accrued interest and earnings thereon shall be commingled in any Country Account. MCC shall 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-Belize shall provide copies of such statements to MCC upon its request. Before any MCC Funding or any portion of the Country Contribution is deposited into a Permitted Account, MCA-Belize shall 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, shall be the sole signatories on each Permitted Account.

(iii) MCC Funding and the Country Contribution held in separate Permitted Accounts may accrue interest or other earnings in accordance with the applicable Bank Agreement. On a quarterly basis and upon the termination or expiration of the Compact or the relevant Bank Agreement, MCA-Belize shall ensure the transfer of all accrued interest on MCC Funding to MCC. Accrued interest on any portion of the Country Contribution held in a Permitted Account shall be retained in such account until the funds may be transferred to Belize according to instructions agreed upon between the Bank and Belize.

(iv) Unless MCC approves otherwise in writing, if MCC Funding is held in any Permitted Account other than a Local Account, MCA-Belize shall ensure that any MCC Funding deposited to a Local Account can be converted and deposited into a USD Account. To the extent that any amount of MCC Funding held in United States Dollars must be converted into the currency of Belize for any purpose as determined by MCC, MCA-Belize shall 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 Disbursement of Compact Facilitation Funding.

The applicable conditions precedent set forth in Annex IV to the Compact must be met to MCC’s satisfaction before the initial and each subsequent Disbursement of Compact Facilitation Funding.

Section 3.3 Conditions Precedent to the Initial Disbursement of Program Funding. Unless waived or deferred by MCC, the conditions of this Section 3.3 and the conditions set forth in Section 3.4 must be met to MCC’s satisfaction before the initial Disbursement of Program 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-Belize and approved by MCC.

(c) Procurement & Grants Plan Package. MCA-Belize has developed the Procurement & Grants Plan Package, and the package has been approved by MCC.

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

(e) Governing Documents. MCA-Belize has been legally established and Belize has provided MCC with copies of all decrees, legislations, or other documents relating to the establishment of MCA-Belize and its operations (including the Bylaws and HR Manual). MCA-Belize has developed and adopted the HR Manual, and the manual has been approved by MCC.

Section 3.4 Conditions Precedent to All Disbursements of Program Funding. Unless waived or deferred by MCC in writing, the following conditions must be met to MCC's satisfaction before each Disbursement of Program Funding, including the initial Disbursement of Program Funding:

(a) Deliveries. MCA-Belize has delivered to MCC a completed Disbursement Request covering the related Disbursement Period in accordance with the QDRP Policy.

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

(i) all applicable conditions precedent in Annex II have been duly satisfied, deferred or waived as provided in this Agreement;

(ii) no material default or breach of any covenant, obligation, or responsibility of Belize, MCA-Belize or any Belize 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 shall not violate any applicable law or regulation;

(iv) MCA-Belize has made progress, satisfactory to MCC, on implementing the Projects or Activities for which funding is requested, including progress on each of the Principal Implementation Plans;

(v) the M&E Plan is current and updated and MCA-Belize is in substantial compliance with the requirements of the M&E Plan (including any applicable reporting requirements set forth therein for the related Disbursement Period);

(vi) all Belize government entities involved in implementation of the Program, including the Implementing Entities, are coordinating successfully with MCA-Belize 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 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 related Disbursement Period have been reimbursed by Belize in full in accordance with Section 2.8(c) of the Compact;

(ix) Belize 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 any certificate provided as part of the Disbursement Request 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-Belize is actively engaged, to MCC's satisfaction, in recruiting a replacement;

(xiii) MCA-Belize 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

(xiv) Belize has complied in all material respects with its obligations set forth in Section 2.8 with respect to the making of its contributions in accordance with the projected timeline set forth in Annex III.

Section 3.5 Authorized Expenditures.

Except as MCC approves otherwise in writing, a Disbursement, or financial commitment involving MCC Funding may be made only if the related expense is provided for in the Disbursement Request.

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 shall 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 shall provisionally apply the terms of this Agreement.

Section 4.2 Consequences of Compact Termination, Suspension or Expiration.

(a) Upon suspension, in whole or in part, of the Compact or any MCC Funding, all applicable Disbursements shall be suspended, and MCC may request Belize 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 occurred, and (ii) reasonable costs incurred in connection with the suspension.

(b) Upon termination, in whole or in part, of the Compact or any MCC Funding, all applicable Disbursements shall 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 the termination, and (ii) reasonable expenditures (including administrative expenses) properly incurred in connection with the winding up of the Program (or any part thereof) during the Closure Period.

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

(d) Subject to Sections 4.2(b) and (c), upon the expiration or termination of the Compact or MCC Funding, Belize shall 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 Belize 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 shall 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 Belize shall 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, Belize, upon MCC's request, shall 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, MCA-Belize shall prepare a plan for administrative closure and sustainability of the Program in accordance with the *Policy on Program Closure* (the "***Closure Plan***"). During the Closure Period, MCA-Belize shall take all steps necessary to close the Program in an orderly manner in accordance with the Closure Plan and the *Policy on Program Closure*.

(g) No later than 120 days after the expiration or termination of the Compact, unless the *Standards for Global Marking* permit otherwise, (i) the licenses granted to MCA-Belize in Section 2.7(a) shall terminate with immediate effect; (ii) Belize shall ensure that MCA-Belize ceases to be named "Millennium Challenge Account-Belize" and/or "MCA-Belize;" and (iii) Belize shall 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-Belize or any other entity for any purpose not authorized by MCC. Furthermore, upon expiration or termination of the Compact, MCA-Belize shall assign and hereby assigns and transfers to MCC all right, title, and interest to the names "Millennium Challenge Account-Belize," "MCA-Belize," "Millennium Challenge Corporation," "MCC," as well as MCA-Belize's logo and MCC's logo that it might have acquired during the term of this Agreement.

(h) MCC and Belize agree to cooperatively support independent evaluations to assess the achievement of the Project Objectives after the Compact Term. As part of this cooperation, prior to expiration, or upon termination, of the Compact and in addition to the actions described in the Closure Plan, Belize shall notify MCC of the Belizean entity or official that will provide post-compact support to complete the evaluations described in the M&E Plan, provided, however, that nothing in this Section 4.2(h) shall be construed as committing MCC to provide any assistance to Belize after the Compact Term. Belize agrees to provide all resources necessary (including both financial and personnel) to fulfill the tasks undertaken by Belize under the M&E Plan related to any post-compact evaluations.

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 Belize.

Belize may not assign, delegate, or contract implementation of its rights or obligations under this Agreement without MCC's prior written consent. Belize agrees, upon request by MCC, to execute an assignment to MCC of any contractual right or cause of action which may accrue to Belize or MCA-Belize 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 shall provide how it enters into force; *provided, however*, that the Parties may by written agreement, signed by the Principal Representative or any Additional Representative of each Party and which shall enter into force upon signature, modify any annex hereto. The Parties understand that any modification of any annex may be entered into by Belize without the need for further action by Belize (including any parliamentary action), or satisfaction of any additional domestic requirements of Belize. Any waiver of a right or obligation arising under this Agreement shall 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 shall prevail. In the event of any conflict or inconsistency between this Agreement and any other Supplemental Agreement or any implementation plan, the terms of this Agreement shall prevail.

Section 5.7 Termination of this Agreement.

(a) MCC may terminate this Agreement in whole or in part, without cause by giving Belize thirty (30) days' written notice.

(b) MCC may immediately terminate this Agreement, in whole or in part, by written notice to Belize, 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 shall 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 shall apply until such date as such obligations are satisfied.

Section 5.8 Survival.

Notwithstanding any expiration, suspension or termination of this Agreement, the terms of this Section 5.8 and the following sections of this Agreement shall survive: Section 1.2(b)(i) (Impoundment; Liens or Encumbrances), Section 4.2 (Consequences of Compact Termination, Suspension or Expiration), Section 5.1 (Representatives), Section 5.2 (Communications), Section 5.3 (Assignments by Belize), Section 5.7(c) (Termination of this Agreement), Section 5.9 (Information Provided to MCC), and Section 5.10 (Governing Law).

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 shall be interpreted in a manner consistent with the Compact and shall be governed by international law.

Section 5.11 Signatures.

Signatures to this Agreement and to any amendment to this Agreement shall 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, the undersigned, duly authorized by their respective governments, have signed this Program Implementation Agreement.

Done at Belize City, this 4th day of September 2024.

FOR THE UNITED STATES OF AMERICA FOR THE STATE OF BELIZE

/s/

/s/

Name: Alice P. Albright
Title: Chief Executive Officer

Name: John Antonio Briceño
Title: Prime Minister and Minister of
Finance, Economic Development,
Investment, Civil Aviation, and
Immigration

Annex I

DEFINITIONS

***AFC Action Plan** has the meaning provided in Section 2.1(i).*

***Agreement** has the meaning provided in the Preamble.*

***Auditor** has the meaning provided in Section 2.5(c).*

***Auditor / Reviewer Agreement** has the meaning provided in Section 2.5(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).*

***Belize** has the meaning provided in the Preamble.*

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

***Closure Period** means the 120-day period beginning on the first day after the last day of the Compact Term (or, if the Compact is terminated earlier in accordance with its terms, the last day that the Compact was in effect) and ending 120 calendar days thereafter.*

***Closure Plan** has the meaning set forth in Section 4.2(f).*

***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 Preamble.*

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

***Country Contribution** has the meaning provided in Section 2.8(a).*

***Country Contribution Report** has the meaning provided in Section 2.3(d).*

***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).*

Fiscal Accountability Plan has the meaning provided in Section 2.1(e).

Fiscal Agent Agreement has the meaning provided in Section 2.5(b).

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 Belize.

Governance Guidelines means the *Policy on Accountable Entities and Implementation Structures*.

Governing Document has the meaning provided in Section 2.4(g).

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

Key Staff means the following positions in the Operations Unit: (1) executive director, (2) managing director of operations, (3) director of finance and administration, (4) general counsel, (5) director of procurement, (6) director of environmental and social performance, (7) director of gender and social inclusion, (8) director of monitoring and evaluation, (9) director of the energy project, and (10) managing director of the education project.

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

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

Material Agreement has the meaning provided in Section 2.4(c).

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

MCA-Belize Website has the meaning provided in Section 2.6(a)..

MCC has the meaning provided in the Preamble.

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

Outside Project Manager has the meaning provided in Section 2.5(d).

Party and Parties have the respective meanings provided in the Preamble.

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

Principal Implementation Plan has the meaning provided in Section 2.1.

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

Procurement Agent Agreement has the meaning provided in Section 2.5(c).

Reviewer has the meaning provided in Section 2.5(c).

Social and Gender Integration Plan has the meaning provided in Section 2.1.

Stakeholder Committee means one or more bodies of representatives from the private sector, beneficiaries, civil society, and local and regional governments established by MCA-Belize as part of fulfilling the requirements of any stakeholder engagement plan to provide advice and input to MCA-Belize regarding the implementation of the Program.

United States has the meaning provided in the Preamble.

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

Valuation Date has the meaning provided in Annex IV.

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

Annex II

CONDITIONS PRECEDENT TO PROGRAM FUNDING¹

PART A. Conditions Precedent for Entire Disbursement Request (Applicable to All Projects)

(i) Before the first Disbursement of Program Funding, MCA-Belize must develop and adopt an Environmental and Social Management System (ESMS).

(ii) Before the first Disbursement of Program Funding that occurs 180 days after the Compact enters into force, MCA-Belize must develop and adopt a comprehensive M&E Plan, in form and substance satisfactory to MCC.

(iii) Before the second Disbursement of Program Funding, MCA-Belize must develop and adopt a comprehensive Social and Gender Integration Plan, in form and substance satisfactory to MCC.

(iv) Before the first Disbursement of Program Funding for payment under a particular works or construction contract for a given Project or Activity, MCA-Belize must submit evidence, in form and substance satisfactory to MCC, that MCA-Belize or the appropriate Belizean entity has developed and adopted an Environmental and Social Impact Assessment or ESIA and/or an Environmental and Social Management Plan or ESMP (as appropriate) for such Project or Activity, each of which must be in form and substance satisfactory to MCC.

(v) Before each Disbursement of Program Funding for payment under a particular works or construction contract for a given Project or Activity, MCA-Belize must submit evidence, in form and substance satisfactory to MCC, that MCA-Belize or the appropriate Belizean entity is implementing the requirements of each ESIA or ESMP, as appropriate, for such Project or Activity in all material respects and consistent with the Environmental Guidelines (including the IFC Performance Standards that are incorporated by reference therein).

(vi) Before any Disbursement of Program Funding on or after the commencement of year five (5) of the Compact Term, MCA-Belize must submit to MCC an initial draft Closure Plan in accordance with the *Program Closure Guidelines*.

(vii) Before the first Disbursement of Program Funding for any activity to be carried out under an implementing entity arrangement, MCA-Belize must deliver to MCC a copy

¹ In the case of the enactment of any law, regulation, policy, or amendments or modifications to any of the foregoing that the Government commits to in this Annex II, the Government shall share a draft of the applicable document with MCC for its review before it is submitted to the final approving authority within the Government.

of a signed agreement between MCA-Belize and the relevant Implementing Entity that sets forth the roles and responsibilities of each party with respect to the applicable Project or Activity, which agreement must be in form and substance satisfactory to MCC.

PART B. Conditions Precedent for the Education Project

(i) Prior to each Disbursement of Program Funding for the Education Project, the Chair of the MCA-Belize Board will certify that the units of MoECST identified to MCC as essential for implementation of the Compact have a full staff or that positions are being actively recruited.

(ii) Before the third Disbursement of Program Funding for the Education Project, the Education Project must meet, to MCC's satisfaction, the Results Definition Standard as defined and described in the M&E Policy.

(iii) Prior to the first Disbursement of Program Funding for a contract for the development and delivery of a school counselors support program, Belize will (A) establish a policy to ensure each secondary school has a dedicated school counselor that does not have teaching responsibilities, (B) align education legislation, regulations and school policies with national and regional commitments to promote equitable access and retention in secondary education, and (C) establish a national policy that students shall not be penalized based on gender, pregnancy, cultural, religious, physical, or socioeconomic characteristics.

(iv) Prior to the first Disbursement of Program Funding for any grant to training providers, Belize will operationalize the National Training Agency.

PART C. Conditions Precedent for the Energy Project

(i) Prior to the first Disbursement of Program Funding for the Energy Project, a planning determination (as defined in the statute that governs the procurement of regulated services, including power) that supports at least 110 MW of solar energy prior to 2030 will be issued.

(ii) Prior to the first Disbursement of Program Funding for the Energy Project, the World Bank loan for a battery energy storage system will have been approved by the World Bank and Belize.

(iii) Prior to the first Disbursement of Program Funding that will exceed \$16,000,000 of cumulative Program Funding disbursed for the Energy Project, the PUC must have published a tariff structure that encourages flexibility in electricity demand to more efficiently manage the changes in net load (total load minus variable renewable generation) resulting from increased variable renewable generation, including the option for consumers to adopt time-variant feed-in and consumption tariffs reflective of the marginal cost of power for residential, commercial, and industrial distributed generation.

Annex III

COUNTRY CONTRIBUTIONS ALLOCATION

(USD)

Component	Type	Pre-EIF	Year 1	Year 2	Year 3	Year 4	Year 5	Total
1. Education Project								
1.1 Transforming Teaching and Learning in Secondary Education								
Devices to access electronic learning materials in secondary education	In-Kind			200,000	400,000	900,000	1,300,000	2,800,000
1.2 Access to and Progression through Secondary Education								
Additional teachers hired to allow School Counselors to focus on counseling duties	In-Kind		100,000	210,000	320,000	430,000	430,000	1,490,000
1.3 Training and Transitioning to Work								
National Training Agency Staffing and expenses	In-Kind		160,000	240,000	320,000	320,000	320,000	1,360,000
2. Energy Project								
2.1 Facilitating New Lower-Cost Renewable Generation								
Battery Energy Storage System financing by World Bank	In-Kind		10,000,000	20,000,000	5,000,000			35,000,000
Grand Total			10,260,000	20,650,000	6,040,000	1,650,000	2,050,000	40,650,000

Annex IV

PRINCIPLES FOR MANAGEMENT OF THE COUNTRY CONTRIBUTION

The Country Contribution must be made toward meeting the objectives of the Compact and must directly support the Projects and Activities identified in the Compact. Country investments or expenditures that further the objectives of the Compact but are merely complementary or tangentially related to the Projects and Activities identified in the Compact will not count toward the amount of the Country Contribution.

The Country Contribution proposed by the Government is In-kind Contributions as detailed in Annex III of this Agreement. This category of Country Contribution is managed according to the principles included in the respective sections below.

I. In-Kind Contribution

A. General Principles.

1. The In-Kind Contribution is estimated in accordance with the notional estimates included in Annex III. The entire amount of the In-Kind Contribution must be disbursed, put in service and recorded prior to the end of the Compact Term. In-Kind Contributions may consist of goods or services provided by Belize to the Program, or cash expended by Belize for specific Project or Activity costs agreed upon with MCC.

B. Disbursement Principles for the In-Kind Contribution.

1. The Parties will agree in writing regarding the Belize affiliate(s) to manage these In-Kind Contributions identified in Annex III. MCA-Belize will manage reporting on the timing and amount of all contributions consolidated and reported to MCC.

2. MCA-Belize will ensure that sufficient documentation is gathered and maintained to provide evidence that all In-Kind Contributions recorded meet all the requirements of MCC's *Guidelines for Country Contributions*.

C. Valuation and Oversight of the In-Kind Contribution.

1. MCA-Belize will value and record a contribution when it is put in service of the Program (the "*Valuation Date*"). In the case of In-Kind Contributions, the Valuation Date will typically be the date the goods, works or property are transferred, or the service is provided to MCA-Belize or to an Implementing Entity and put in service of the Program.

2. In compliance with Section 2.8(b), contributions denominated in local or foreign currency will be recorded and converted to United States Dollars using the prevailing exchange rate conversions detailed in the Fiscal Accountability Plan.

3. Values for contributions of services and property will be established in accordance with *Cost Principles for Government Affiliates*. Unless otherwise approved by MCC, In-Kind Contributions will be valued at fair market value.

4. The recorded value of contributed property and services shall be determined in accordance with the usual accounting policies of MCA-Belize or the Implementing Entity, with the following qualifications:

- i. Rates for in-kind services must be consistent with those paid for similar work by the entity making the contribution. In instances in which the required skills are not found in the entity making the contribution, rates must be consistent with those paid for similar work in the labor market in which the entity competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation;
- ii. The recorded value of donated land and buildings must not exceed their fair market value at the time contributed to the Program. When cost effective, the recorded value should be established by an independent appraiser (e.g., certified real property appraiser) and certified by a responsible official of MCA-Belize;
- iii. The recorded value of contributed equipment must not exceed the fair market value of equipment of the same age and condition at the time of donation;
- iv. The recorded value of contributed space must not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality; and
- v. The recorded value of loaned equipment must not exceed its fair rental value.

II. Country Contribution Reporting

MCC and MCA-Belize will monitor and track the Country Contribution from signing through the end of the Closure Period.

A. Periodic Reporting to MCC from MCA-Belize

1. No later than 30 days after each audit period, MCA-Belize is required to submit to MCC for no-objection an official narrative and financial report consistent with its audit schedule and requirements of the Audit Guidelines. In its review of the report, MCC may request supporting documentation to validate any amount reported.

2. The “Explanatory Notes” that MCA-Belize submits as part of the quarterly Disbursement Request must include an update on the status of the Country Contribution.

B. On-site Monitoring

1. MCC reserves the right to conduct on-site monitoring and verification of the Country Contribution, including, without limitation, by physical inspection of source documents (e.g., timesheets, invoices, valuation reports, and bank statements), site visits and interviews.

C. MCA-Belize External Audit Requirements

1. MCA-Belize audit reports include a “Schedule of Cost Sharing” to document the Country Contribution. The Auditor should perform a review of the Country Contribution as part of its normal audits. As part of its audit, the Auditor will ensure that the required matching percentages or amounts are being met per the agreed schedule of contributions.