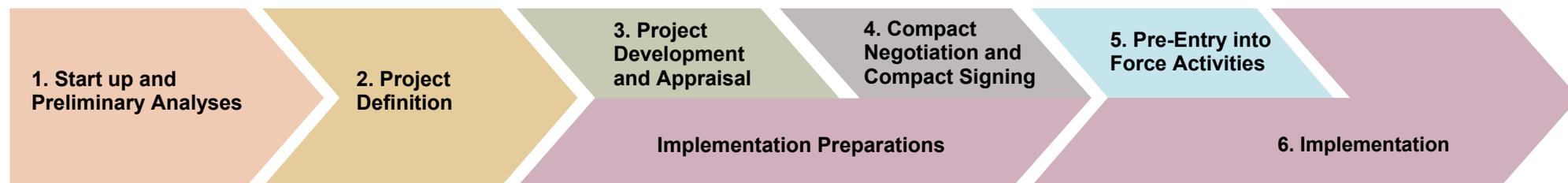


Phases of Compact Development



Getting started:	Identifying priorities:	Developing the program:	Negotiating* the terms of the Compact:	Getting ready for implementation:	The clock starts:
<ul style="list-style-type: none"> Country names National Program Coordinator – key manager of the compact process Country establishes Core Team – responsible for completing the compact Country commences initial public consultations Country completes analysis of binding constraint to growth MCC provides feedback on analysis of binding constraints to growth MCC provides guidance on results focused project design principles and tools 	<ul style="list-style-type: none"> Country consults stakeholders on potential projects Country develops and provides a Project Concept Paper for each potential project – each paper proposes a set of related investments MCC conducts a “peer review” of the proposed Project Concept Papers; MCC may undertake fact-finding mission to country MCC provides formal response to Project Concept Papers – identifying suitable candidates and indicates further studies that may be needed MCC provides 609(g) funding if needed for project development of approved concepts 	<ul style="list-style-type: none"> Country further develops projects that appear promising for potential investment MCC disburses 609(g) funding and assists with needed preparatory studies –feasibility studies, environmental impact assessments, framework resettlement plans, preliminary designs, etc. Country consults stakeholders on project design and sustainability At an appropriate time, MCC prepares and submits Congressional Notification to commence negotiations* MCC conducts formal appraisal of developed projects, including second “peer review” MCC begins to develop Investment Memo – used as a decision document internally (not public) 	<ul style="list-style-type: none"> MCC and country conduct compact negotiations (technical content) MCC prepares and submits Investment Memo to MCC Investment Committee MCC and country negotiate compact documents (legal documentation) MCC Board approves Compact MCC and country sign the Compact -- at this point funds are obligated, program objectives are defined and total dollar amount is set 	<ul style="list-style-type: none"> Compact ratification, if necessary Completion of stand-up of Millennium Challenge Account (MCA) Accountable Entity Completion of Implementing Entity agreements Completion of annual budgets and implementation plans Completion of Terms of Reference and work plans for implementation and procurement Pre-qualification of consultants and contractors for early procurements 	<ul style="list-style-type: none"> Compact “Enters Into Force” (EIF) and five year clock starts Compact provisions in full force and effect in the country Accountable Entity is responsible for overseeing implementation of projects PMU submits quarterly progress reports MCC authorizes disbursements, U.S. Treasury transmits funds Ongoing public updates on Compact Monitoring and evaluation of project impacts MCA Consultation may include: transparency; outreach; stakeholder committees; resettlement process, etc.

• **Country sets up its Project Management Unit (PMU) structures** – Accountable Entity, Fiscal Agent, Procurement Agent, and Implementing Entities established and trained

* As defined under Section 610 of the Millennium Challenge Act of 2003