

MCC Policy on Accountable Entities' Submission of the Quarterly Disbursement Request Package

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MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

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EFFECTIVENESS

This policy was approved on February 23, 2024 and is effective as of March 1, 2024. For the avoidance of doubt, this policy will remain in effect with respect to any successor position or office performing the functions of its predecessor until this policy is modified, revoked, or superseded. In addition, this policy supersedes any prior policy or guidance with respect to the subject matter hereof.

ACRONYM LIST

Acronym	Definition
AE	Accountable Entity
CDF	Compact Development Funding
CDR	Contract Detail Report
CFF	Compact Facilitation Funding
CP	Condition Precedent
DFP	Detailed Financial Plan
DRL	Disbursement Response Letter
EIF	Entry into Force
HACR	Historical actual change request
IBC	Interior Business Center
ITT	Indicator Tracking Table
M&E	Monitoring and Evaluation
MCC MIS	MCC's Management Information System
MCDR	Monthly Commitment and Disbursement Report
N/A	Not applicable
OOO	Out of cycle
PIA	Program Implementation Agreement
PGG	Program Grant Guidelines
PGPP	Procurement and Grants Plan Package
PPG	Accountable Entity Procurement Policy & Guidelines
PPS	Program Partnership Solicitation
QDRP	Quarterly Disbursement Request Package
QFR	Quarterly Financial Reports
RCD	Resident Country Director
SPRF	Special Payment Request Form

INTRODUCTION

The objectives of the Quarterly Disbursement Request Package (QDRP) are for (1) MCC to obtain and assess information related to program progress, compliance with program requirements, and projected commitment and disbursement needs; and (2) the Accountable Entity (AE)¹ to obtain disbursement authority to access funds from MCC. These objectives are fulfilled through a process of information and document exchange.

The QDRP identifies resources needed for program implementation in the upcoming quarter and should be based on the current status of projects and activities, as reflected in the program's work plan(s). The package provides information on execution of program activities; financial management; procurement, grant, and partnership actions; progress towards compact or threshold program goals (as defined by monitoring and evaluation (M&E) indicators and targets); and the status of conditions precedent (CP) to disbursement. The package also details projected commitments and disbursements for the life of the grant.

In cases where the AE is not requesting any funds for the upcoming quarter, the AE should submit a non-financial QDRP, which provides a simplified approach for reporting on projected commitments and procurement/grant and M&E data but does not require submission of most financial reports or other required documentation. Should funding needs change within the quarter, the AE may also submit an out of cycle (OOC) QDRP to request a change in budget and/or disbursement authority, or to request an adjustment of existing disbursement authority.

¹ Prior to the creation of the MCA, this reference refers to the Permitted Designee, as defined in the relevant grant agreement.

PROCESS AND TIMING

Separate QDRP submissions are required for all AE-managed fund types, including compact development funds (CDF) provided in a standalone agreement, compact facilitation funds provided within a compact (CFF), compact program funds and threshold program funds.²

The AE is responsible for drafting all the documents required for the QDRP and is encouraged to develop and implement an internal preparation process with the necessary financial and quality control procedures to ensure that the QDRP submission meets the requirements laid out in this guidance. To facilitate this, MCC recommends that the AE review the following information as inputs into the preparation of the QDRP:

- Updated project level and integrated work plans;
- Contractors' cash flow projections and past contractor performance against cash flow projections;
- Consultants' deliverable and payment schedules, including the amounts in the months that each deliverable is expected to be paid by the fiscal agent;
- Grantee and partner reporting and fund disbursement schedules; and
- Non-reoccurring commitments such as pending contracts, grants, or cooperation agreements to be signed.

Based on the review of the pertinent documents, the AE should update its financial system to reflect the latest projections on funding requirements, deliverables and planned procurements, grants, and partnership agreements, and determine if any budget reallocations are necessary.

In order to provide sufficient time for review and approval before the start of a new disbursement period, the QDRP should be submitted to MCC for approval at least twenty (20) days prior to the end of each quarter (on March 10, June 10, September 10, and December 10; or the following business day if the 10th falls on a weekend or holiday). The QDRP must be submitted, reviewed, and approved via the MCC Management Information System (MCC MIS³). Final submissions are expected to be approved by MCC before the final day of the quarter, following any necessary revisions by the AE to respond to comments issued by MCC.

While most QDRP quarters span exactly a three-month period, the length of the first and last program quarters vary based on the date that the funding agreements are signed or Enter into Force (EIF). The first quarter will be a long first quarter, extending through the end of the next quarter, only if the funding agreement is signed or enters into force within 45 days of the start of a new fiscal quarter (i.e. EIF dates between August 16 – September 30; November 16 – December 31, February 14 – March 31, or May 16 – June 30). In all other cases, the first quarter will be short, extending from the funding agreement signing or EIF date through the end of the current quarter. For the closeout period, the AE may continue with submissions on the normal QDRP submission dates (March 10, June 10, September 10 and December 10),

² In cases where certain funds are MCC-managed, there is no need to submit a QDRP for those funds; QDRPs are only submitted when the partner country is requesting a disbursement for country-managed funds.

³ Technical guidance on submitting the package in MCC MIS can be found in the MCC MIS User Guide.

or submit a separate QDRP that would start on the first day of the closure period and cover the entire 120 day period (or a lesser portion thereof).⁴ In no case shall an AE submit a QDRP that covers a period greater than four and a half months (137 days).

MCC recommends as a best practice that the AE submit a draft QDRP for technical review approximately 10 days prior to the required QDRP submission date. It is recommended that the draft QDRP include, at a minimum, the detailed financial plans (DFPs), contract detail reports (CDRs), Indicator Tracking Table (ITT), CP report, Schedule A and Explanatory Notes. MCC may also request that additional documents be submitted as part of the technical review. Recognizing that financial data for the current quarter will still be evolving, from a financial perspective, MCC's technical review will primarily focus on the request for the upcoming quarter rather than deviations within the current quarter.

⁴ The approach to QDRP submissions for the closure period should be outlined in the Program Closure Plan.

QDRP COMPONENTS

The QDRP consists of a set of core documents that are required across funding types. These documents are summarized in the following table and further described below.

Required Components	CDF and CFF	Compact	Threshold Program
Explanatory Notes	Yes	Yes	Yes
DFP - cash	Yes	Yes	Yes
DFP - commitments	Yes	Yes	Yes
Schedule A	Yes	Yes	Yes
Disbursement Request and signed Disbursement Request Form	Yes	Yes	Yes
CDRs (cash and commitments)	Yes, if AE has SAP; otherwise, no	Yes, if AE has SAP; otherwise, no	No
Procurement and Grants Plan Package (PGPP) ⁵	Yes	Yes	Yes
Indicator Tracking Table (ITT) ⁶	N/A	Yes	Yes
CP Report	Yes	Yes	Yes
Certificates: Fiscal Agent Certificate, Procurement Agent Certificate Accountable Entity Certificate	Yes ⁷	Yes	Yes
Work Plans	As required by MCC	As required by MCC	As required by MCC
Disbursement Response Letter (DRL) (drafted by MCC)	Yes	Yes	Yes

EXPLANATORY NOTES

The Explanatory Notes are meant to provide succinct information related to the overall QDRP. They should briefly explain any deviations between the current quarter's disbursement and commitment projections and actual disbursements and commitments, describe the significant factors behind the upcoming quarter's requested funding and identify any key risks or constraints to meeting the expected commitment and disbursement targets for the upcoming quarter.

⁵ Note that the AE is only required to submit one consolidated PGPP per quarter; it is not expected that there will be separate PGPPs submitted for each fund type.

⁶ Note that the ITT is not a required component of the QDRP until after the approval of the initial M&E Plan.

⁷ For a disbursement period where MCC or its designee is acting as the Fiscal Agent or Procurement Agent, the corresponding certificate is not required.

The Explanatory Notes should also present trend data, showing prior quarters' performance against commitment and disbursement requests. Any reallocations or other special requests should also be justified in the Explanatory Notes.

The Explanatory Notes should align with all documentation submitted as part of the QDRP, including the DFPs, CP report, etc. In particular, the AE should ensure that the activities outlined in the Explanatory Notes are consistent with the items submitted and/or approved in the PGPP (and their corresponding timelines) and the progress of any procurements or grants observed over the current quarter.

The Explanatory Notes should not provide detailed information on program progress or duplicate information that can be found in other parts of the QDRP or is already available in contractor reports or other pieces of information that have been shared with MCC.

Information may be presented in tables or short bullet points; long text is not expected.

The template in Annex 1 shall be used as the standard format for the Explanatory Notes. However, MCC reserves the right to require the inclusion of additional information as part of the Explanatory Notes or the broader QDRP submission.

QUARTERLY FINANCIAL REPORTS (QFR)

The required financial reports, including Schedule A, the DFPs, the Disbursement Request and signed Disbursement Request Form, and the CDRs, provide an overview of the AE's financial activities over the current and previous quarter(s), show plans for future quarters, and justify the proposed request for disbursement authority in the upcoming quarter. They are also used to propose adjustments to the budget (originally derived from the grant agreement's Multi-Year Financial Plan).

The AE financial director (or interim fiscal representative, during compact development, or similar entity if required for threshold programs), with support from the Fiscal Agent and MCC Program Financial Services lead, is responsible for preparation of the financial reports, based on inputs from and consultations with AE project staff.

Annex 2 provides more detailed guidance on preparation of the QFR. Individual QFR components are described further below:

Schedules A and B

Schedule A includes the original budget from Annex II of the signed grant agreement (the summary of the Multi-Year Financial Plan), the current approved budget, and space for the AE to propose a reallocation of funds across projects and/or across activities within projects. A summary of all previously approved budget adjustments is captured in Schedule B, which is automatically generated in the QDRP Export report in MCC-MIS.

In cases where the AE is requesting a budget reallocation (Schedule A adjustment), the AE must submit additional information related to the requested change(s) and clearly describe the reason(s) for the request. Annex 3 includes the budget reallocation request template, which outlines the information that the AE must submit⁸. This includes applicable background related to the reallocation (is it the result of new feasibility studies or detailed designs, etc.) and information necessary to inform any additional economic assessment that may be required. The AE should also describe any potential risks associated with the reallocation, including the implications for costs, schedule, beneficiaries, achieving expected results, economic rates of return, and, where applicable, implementation arrangements. This information required by Annex 3 may be submitted as part of the Explanatory Notes or as a separate attachment to the QDRP.

Note that budget reallocations may require new economic analysis and senior-level management approvals at MCC.

Detailed Financial Plans (DFPs - commitments and cash)

The DFP-commitments and DFP-cash allow the AE to forecast the amounts it expects to commit and disburse for the remainder of the grant. The DFPs calculate total projected commitments and disbursements and compare them to the current approved budget. This allows the AE and MCC to track their forecast versus their plan and identify any projected surpluses, shortfalls or need for budget reallocations. Templates for the DFPs can be exported from MCC MIS⁹.

Formal submission of the DFPs forecasts the financial data at the sub-activity level (or beyond, where appropriate given the level of detail included in the budget). To provide more granular details about the projected commitment and disbursement forecasts, and where the AE has SAP in place, MCC also requires the AE to submit CDRs, with information provided at a lower level of program activity (see below for additional details).

The DFPs track cumulative commitments and disbursements through the current period and break down the upcoming quarter (next period) by month for more detailed planning. For CDF and CFF, the DFPs must provide commitment and disbursement projections for at least the upcoming four quarters (and further out where appropriate). For compact and threshold program funds, the DFPs must provide commitment and disbursement projections for the entire grant period, and the projections should reflect the total amount the AE expects to commit and disburse over the life of the grant. If the AE is using SAP, the DFPs should be generated from that system and uploaded to MCC-MIS.

The total projected disbursement amount needed for the upcoming quarter (from the DFP-cash) will represent the disbursement authority requested in the Disbursement Request. Once approved, the disbursement authority may not be exceeded at the activity level during the disbursement period without additional MCC approvals, as detailed in the OOC guidance below.

⁸ Note that Annex 3 is not required for Schedule A adjustments that only involve adding funds and not reallocating funds (e.g., CFF rollover, change from MCC-managed to country managed funding, etc.).

⁹ For information on how to do this, please consult the MCC MIS User Guide.

Different from the cash projections, AEs can commit funds during the disbursement period above what is in the approved DFP-commitments without any additional approvals, so long as the commitments are in accordance with all MCC procurement and financial rules and overall MCC-funded commitments do not exceed the activity level budget, as reflected in the most recently approved Schedule A.

Disbursement Request and Disbursement Request Form

The Disbursement Request is a form that AEs use to request disbursement authority for the upcoming quarter. The amount requested in the Disbursement Request should match the total projected for the upcoming quarter in the DFP-cash. The Disbursement Request is automatically populated in MCC MIS from the DFP-cash and should be printed from the system for signature¹⁰. The printed Disbursement Request Form is executed by authorizing signatures from individuals authorized to do so under the grant agreement. Note that the dates of the authorizing signatures must be the same as or earlier than the date on the Disbursement Request. Both the Disbursement Request in MCC MIS and a scanned copy of the signed Disbursement Request Form must be submitted with the QDRP for the package to be approved.

Contract Detail Reports (CDRs) (commitments and cash)

As noted above, the DFPs normally provide information down to the sub-activity level; however, additional detail is typically required for MCC to understand the disbursement request.

CDRs are reports generated from SAP which provide detailed commitment and disbursement information down to the contract, grant, or cooperative agreement level. The reports have been designed to align with the structure of the DFP, but provide information below the sub-activity, including earmarks (i.e. fund reservations), planned procurements, grants, or cooperative agreements (i.e. purchase requisitions), contracts and non-procurement payments. For each of these items, the actual and forecasted commitment and disbursement data are reported consistent with the DFPs.

The CDR is required for all programs that have SAP in place at the time of the QDRP submission.

PROCUREMENT AND GRANTS PLAN PACKAGE (PGPP)

The PGPP is a coordinated projection of all procurement and grant activity expected over the next 12 months and also serves as a reporting tool for procurement and grants actions. One of the primary functions of the PGPP is to serve as a management tool by which MCC monitors the AE's approach to procurements and grants. The AE shall ensure that all goods, works, consulting and non-consulting services are procured, and all grants are awarded, using the procurement and grants methods approved in the PGPP.

The PGPP also provides MCC with a summary Performance Report of the current status of procurements and grants across its program and thereby assists MCC in monitoring AE compliance with the PIA or relevant grant agreement and the PGPP. The report is cumulative and provides a comprehensive overview of procurement and grants activity.

¹⁰ Countries using SAP may also print the Disbursement Request Form generated by SAP.

The PGPP shall be updated at least quarterly and submitted in conjunction with the QDRP. The PGPP shall (a) list all planned procurements and grants foreseen during the period covered in such PGPP; (b) identify the proposed method of procurement or grant as determined according to the rules set out in the Accountable Entity Procurement Policy and Guidelines (PPG) and Program Grants Guidelines (PGG); and (c) set forth the estimated value for each contract and grant. The Performance Report portion of the PGPP should include all approved, initiated, ongoing, and completed procurement and grant actions valued at or above US\$25,000.

All financial projections, timelines, work plans, and reports included in the QDRP shall be consistent with the PGPP. Note that the AE is only expected to submit one PGPP per quarter, which should include all expected procurements and grants. The AE is not required to submit separate PGPPs for each fund type.

If additional procurement or grant needs arise during the quarter, an amended PGPP may be submitted for approval, either as part of an OOC QDRP submission (as detailed below), or on its own.

For the template and additional details on completing the PGPP, the AE should refer to the PPG and/or PGG as relevant.

For additional details on filling out the PGPP, the AE should refer to the PPG, the MCC Procurement Handbook, and the PGG.

INDICATOR TRACKING TABLE (ITT)

The ITT is a quarterly reporting tool that tracks the progress of indicators included in the compact or threshold program's M&E Plan towards program targets.¹¹ Data reported in the ITT is used for public reporting and by MCC in communications with senior management.

All indicators specified as ITT indicators in Annexes I and II of the most recently approved M&E Plan for the compact or threshold program are included in the ITT and must be reported on per the frequency indicated in that plan. The ITT includes detailed information for each indicator, including (i) indicator name; (ii) indicator details such as level, classification, and unit; (iii) indicator baseline and annual targets; (iv) indicator data (actuals) for the current quarter and all previous quarters; and (v) indicator progress towards annual and end of program targets.

On a quarterly basis, the AE is responsible for updating the current and previous quarter's data and verifying that all historical data is accurate. For the current quarter, the AE shall provide the most recent data available, although complete reporting on the full quarter is not possible due to the fact that the QDRP is due 20 days before the end of the quarter. For the previous quarter, the AE shall update data to be accurate as of the end of the quarter and report any new data that has become available. The AE is not able to update data from further back than one quarter in the ITT directly. If historical data from more than one

¹¹ This section directly relates to ITTs that are submitted as a component of a QDRPs. ITTs are also required for threshold programs that do not have an AE and therefore do not submit QDRPs. More information for the submission of these ITTs, including the required template, can be found in the ITT Guidance.

quarter ago require updates, the AE shall submit a historical actual change request (HACR), which clearly identifies the indicators and quarters to be updated and provides a justification for the request.

The ITT should only include indicators and indicator information approved in the most recent M&E Plan. Modifications to indicators, their names, details, and/or baselines and targets must be approved in an M&E Plan revision before they are made in the ITT. Occasionally, a lag of several quarters may occur between compact or threshold EIF and the approval of a program's initial M&E Plan. The ITT is not a required component of the QDRP until after the approval of the initial M&E Plan.

In addition to the ITT, the AE shall provide source documentation for ITT actuals.

CONDITIONS PRECEDENT (CP) REPORT

The CP report is designed to track the compliance status of the specific CPs listed in the relevant grant agreement or the PIA. Additional CPs may be introduced as a result of implementation letters, DRLs or other communications from MCC to the partner country. These CPs should also be included in the CP report for the relevant fund type(s).

The CP report captures information about the timing, associated project activities, status, and relevant documentation for each CP. This report also tracks all CP deferrals or waivers requested by the AE. Note that while conditions to EIF are not conditions to disbursement, they are still included in the CFF and threshold CP reports for ease of tracking.

Every quarter, the AE should mark each CP as satisfied, not satisfied, retired, not applicable (N/A), deferral requested, or waiver requested. These options should be used as follows:

- Satisfied: to be used when a CP is fully met.
- Not satisfied: to be used when a CP is not met or only partially met.
- Retired: to be used when a CP was only required to be met once and was satisfied in a previous quarter (for instance, a requirement for the environmental and social management system to be approved prior to initial disbursement). Retired CPs will not need to be marked in future CP reports.
- N/A: to be used when the CP is not applicable for the given quarter (for instance, when a CP needs to be met prior to Q4, but it is only Q2).
- Deferral requested: to be used when a CP was expected to be met in the current quarter but has not been met, the AE wants to be able to draw on program funds at the start of the next quarter and not wait until the CP is satisfied, and the AE believes there is justification for deferring the requirement to a future quarter (for instance, where the AE is actively working on a required document and expects it to be completed soon, but needs a little bit of extra time).
- Waiver requested: to be used when a CP has not been met and the AE believes there is justification for fully waiving it (for instance, when national laws or regulations have changed in a way that makes the existing CP moot).

It is important for AEs to be specific about the documentation providing evidence of CP satisfaction (attaching relevant supporting documentation within the CP report where appropriate), and to include a justification for any CP waiver or deferral requests in the Explanatory Notes. Any request for CP waivers or deferrals must justify why MCC should approve the request (noting that the requirements for waiving CPs are much more stringent) as well as expected implications, if any, for program results, the economic logic, economic rate of return, or beneficiary analysis. If the requested CPs are not deferred or waived, the CP will be considered not satisfied and the related funds cannot be disbursed that quarter.

If considering a CP waiver or deferral request, the AE should discuss the upcoming request with MCC as early as possible and not wait to make the formal request through the QDRP.

Note that the CPs included in the CP report are not the only conditions and obligations that the partner country must comply with in order to receive disbursements; the partner country must be in compliance with all conditions and obligations set forth in the relevant grant agreement or PIA.

CERTIFICATES

AEs are responsible for submitting certificates from the AE, the Fiscal Agent, and the Procurement Agent, in accordance with the relevant agreement, certifying compliance by each entity with the obligations arising from the relevant legal agreement, including, as relevant, the PIA, the Fiscal Agent Agreement and Bank Agreement (for the Fiscal Agent) and the Procurement Agent Agreement (for the Procurement Agent). MCC's Office of General Counsel will provide the AE with the appropriate certificate templates.

WORK PLANS

The disbursement request should be aligned with the program's work plan, and MCC may require the AE to submit updated work plans as part of the QDRP. If the work plan does not justify the disbursement request, MCC may approve a lower disbursement authority. At a minimum, work plans must be submitted in accordance with requirements in the PIA, or in the case of threshold programs, the grant agreement.

NON-FINANCIAL QDRPS

For some quarters, an AE may not need to request funds at the time a QDRP is due. This situation typically arises early in the compact development or pre-implementation phase, or in cases where a key CP is not met, thereby precluding disbursement of funds. In these instances, the AE is required to submit a non-financial QDRP, which includes a subset of the standard QDRP components. See Annex 2 for the timing of the first required QDRP (or Non-Financial QDRP) submission for each fund type.

The documentation required for a non-financial QDRP is detailed in the table below.

Required Components	CDF and CFF	Compact	Threshold Program
Explanatory Notes	No	No	No
DFP - cash	No	No	No
DFP - commitments	Yes	Yes	Yes
Schedule A	No	No	No
Disbursement Request and signed Disbursement Request Form	No	No	No
CDRs (cash and commitments)	N/A	No	No
Procurement and Grants Plan Package	Yes	Yes	Yes
Indicator Tracking Table	N/A	Yes	Yes
CP Report	No	No	No
Certificates: Fiscal Agent Certificate, Procurement Agent Certificate Accountable Entity Certificate	No	No	No
Work Plans	As required by MCC	As required by MCC	As required by MCC
DRL (drafted by MCC)	No	No	No

OUT OF CYCLE (OOC) DISBURSEMENT REQUESTS

In certain cases, the AE may need to request a change in budget and/or disbursement authority during the quarter, in between QDRP submissions. AEs may also need to close out a fund type. The process for this is to create an OOC request. The cases in which an OOC are required include¹²:

- To request a change in budget (Schedule A adjustment), involving a change in the budget amount or shift of funds from one project or activity to another, needed prior to the next QDRP;
- To request an increase in disbursement authority;
- To request a budget change and an increase in disbursement authority;
- To request a net zero adjustment to the previously approved disbursement authority (essentially, apportioning previously approved disbursement authority to different projects or activities than the originally approved request, but without requesting a Schedule A adjustment or any additional disbursement authority); or
- To request closure of a fund type (e.g., upon complete expenditure of CDE, or for a CFF rollover).

The documentation required for each OOC reason is detailed in the table below. Note that when submitting an OOC request that includes an increase to disbursement authority, it should reflect the total disbursement authority required for the entirety of the quarter, not only the additional funds required. Further, any OOC request must be fully approved before the AE can submit another QDRP (either regular or OOC).¹³

¹² Note that OOC requests are only submitted in cases where a QDRP has already been submitted and approved for the quarter. In cases where a QDRP is simply submitted late, it is still considered a normal QDRP, not an OOC.

¹³ The AE must wait until the OOC is approved before it begins entering information for the next cycle's QDRP into MCC MIS. Failure to wait until the OOC is approved may result in data being lost.

Required Components	Reason for request				
	Change in budget (Schedule A adjustment)	Increase in disbursement authority	Change in budget (Schedule A adjustment) and increase in disbursement authority	Adjustment to disbursement authority	Fund type closeout
Explanatory Notes	No	No	No	No	No
Justification memo	Yes	Yes	Yes	Yes	No
DFP - cash	No	Yes	Yes	Yes	No
DFP - commitments	No	Yes	Yes	No	No
Schedule A	Yes	No	Yes	No	Yes
Disbursement Request and signed Disbursement Request Form	No	Yes	Yes	No	No
CDR - cash	No	Yes, if AE has SAP; otherwise, no	Yes, if AE has SAP; otherwise, no	Yes, if AE has SAP; otherwise, no	No
CDR - commitments	No	No	No	No	No
Procurement and Grants Plan Package ¹⁴	As required by MCC	As required by MCC	As required by MCC	As required by MCC	No
Indicator Tracking Table ¹⁵	No	No	No	No	No
CP Report ¹⁶	No	Yes	Yes	Yes	No

14 A PGPP may be submitted in conjunction with an OOC QDRP in cases where additional procurement or grants needs have arisen which were not included in the original PGPP submission.

15 Any out of cycle changes to the ITT must be submitted as a HACR. Upon HACR approval, the changes will be made in the next QDRP's ITT.

16 For OOC QDRPs, updates to the CP report are required only if the activity or activities covered by the OOC disbursement request require the satisfaction, waiver or deferral of conditions that were not already covered in the current CP report (for instance, if the changes result from a CP being satisfied over the course of the quarter, allowing authorization of additional funds that were not previously requested or for which disbursement authority was not approved).

Required Components	Reason for request				
	Change in budget (Schedule A adjustment)	Increase in disbursement authority	Change in budget (Schedule A adjustment) and increase in disbursement authority	Adjustment to disbursement authority	Fund type closeout
Certificates: Fiscal Agent Certificate, Procurement Agent Certificate, Accountable Entity Certificate	No	No	No	No	No
Out of cycle certificate	No	Yes	Yes	No	No
Work Plan	No	No	No	No	No
Final Monthly Commitment and Disbursement Report	No	No	No	No	Yes
Authorization Memo ¹⁷	No	No	No	No	Yes
DRL (drafted by MCC)	No	Yes	Yes	No	No
OOC response letter (drafted by MCC)	Yes	No	No	Yes	No

¹⁷ For CDE, CFF, Compact Funds and threshold program *closures*, this would be the OGC memo. For CFF *rollovers*, this would be an implementation letter.

JUSTIFICATION MEMO

When submitting an OOC QDRP, the AE is required to submit a justification memo explaining the reason for the OOC request. The OOC Justification Memo template, found in Annex 4 provides detailed instructions on what information must be included, based on the reason for the OOC.

OOC CERTIFICATE

AEs are responsible for submitting an OOC certificate for any OOC QDRP that includes a request to increase the previously approved disbursement authority. This certificate certifies that all certifications previously submitted for the relevant quarter remain true and correct.

Note that AEs are not required to submit an OOC disbursement request in order to make a *commitment* which is in excess of the amount forecast for a given activity on the DFP-commitments of the currently approved DFP, provided that the commitment amount does not exceed the overall MCC-funded commitment amount for that activity in the currently approved budget (as given in Schedule A). The AE must reflect the increased cumulative commitment amount in the subsequent QDRP

QDRP APPROVALS AND GRANTING OF DISBURSEMENT AUTHORITY

MCC's approval/clearance is given or withheld on the entire QDRP; individual documents (DFPs, Explanatory Notes, CP report, etc.) are not expected to be approved or rejected separately from the overall package. The only exception to this is the PGPP which, while submitted in conjunction with the QDRP, is submitted and reviewed as a separate package in MCC MIS.

MCC may, at its discretion, approve the entire disbursement request amount or a portion thereof. For cases in which MCC grants only a portion of the disbursement authority initially requested by the AE, MCC will adjust the DFP-cash and indicate in the DRL what has been approved (MCC will make this change unilaterally; the AE is not required to submit a new Disbursement Request or signed Disbursement Request Form). MCC may also make adjustments to the DFP-commitments. The AE must then ensure that the AE financial system is updated to reflect the approved disbursement authority and any adjustments to the DFP-commitments. Within two (2) business days of receiving the DRL, AEs with SAP will be required to submit to MCC an updated CDR confirming that the changes have been made. For AEs who do not have SAP, MCC will provide the adjusted DFP(s) reflecting the adjusted disbursement authority and, where relevant, any changes to the DFP-commitments, and the AE will be required to confirm the adjustments via email within two (2) business days.

In cases where MCC changes some part of the QDRP (authorizes less than what was requested, amends a CP, chooses not to approve a CP deferral or waiver request, etc.), the partner country's designated representative must also countersign the DRL. If MCC approves request as is, no countersignature is typically required, although at the discretion of MCC, a countersignature may be requested in order to secure acknowledgement of conditions associated with the disbursement authority granted.

Disbursement authority is granted at the activity level and is contingent on the QDRP being satisfactory to MCC in form and substance. Following review, MCC approves the QDRP via a DRL¹⁸. Note that MCC's approval of the QDRP confers disbursement authority and other approvals as outlined in the DRL; it does not necessarily indicate agreement with future period projections, as reflected in the DFPs. It should also not be construed as providing approval for specific expenditures, procurements, or grants.

Note that disbursement authority does not roll over. In cases where commitments and disbursements were projected to be completed in the current quarter, but are not, the relevant funds will have to be requested again in a future quarter.

If a new QDRP is not approved prior to the start of a new quarter, any remaining funds from the prior quarter are automatically reinstated for use in the first thirty (30) days after the close of the period, or until the approval date of the next QDRP, whichever comes first. The reinstated disbursement authority may be used to cover expenditures that were included in the most recently approved DFP-cash. Disbursements requested using reinstated disbursement authority must be submitted to the Interior Business Center (IBC) using a Special Payment Request Form (SPRF), which requires a signature by the MCC Resident Country Director (RCD) or designee in addition to the usual signatories. Similarly, expenditures from the permitted account require approval of the RCD or designee during this time period.

¹⁸ One DRL can approve QDRPs from multiple fund types, provided that it is clearly stated in the DRL.

AMENDMENTS TO THIS POLICY

Minor modifications or amendments to the policy may be approved by the Vice President for the Department of Compact Operations. Substantive modifications or amendments to the policy may be approved by the Vice President for the Department of Compact Operations, following clearance of other affected departmental Vice Presidents.

ANNEXES

- [Annex 1: Explanatory Notes Template](#)
- [Annex 2: Guidance on Quarterly Financial Reports](#)
- [Annex 3: Budget Reallocation Request Outline](#)
- [Annex 4: OOC Justification Memo Template](#)

Reducing Poverty Through Growth

