



MCC Advisory Council Updates

Previously Reviewed Programs

Tunisia

In December 2017, the Government of Tunisia (GoT) submitted Concept Notes to MCC, focusing on the reform of the business climate and alleviating water scarcity to promote more consistent agricultural production in the interior regions of Tunisia. The GoT also proposed a limited set of interventions to address the rigidity of labor market regulations and folded those concepts into the broader Business Climate Reform Project. The Concept Notes submitted are quite broad, and the team has been working closely with the GoT to further narrow them in preparation for the submission of full Project Proposals in mid-2018.

Regarding the Water Project, the team appreciated the Council's suggestion to assess how to improve performance of key institutions involved in the water sector, including the water utility, and to promote reform of water pricing to achieve cost recovery and promote water conservation. The Council's advice to look closely at water management and demand, as well as the use of new technologies to optimize the existing water supply, was also well noted. MCC is engaging with the GoT on these issues as they further narrow the scope of their concept and is bringing on a consultant to further support due diligence.

On the Business Climate Project, the team appreciated the Council's advice on the ability for MCC's investment to catalyze significant reforms and change. To that end, the MCC team has been working with the GoT team on identifying the most impactful policy areas which MCC and the GoT could reasonably target for broad reform within the five year compact period, including reform to existing legislation and regulations that impact Tunisia's economy. Sectors under consideration, for example, include e-government/ICT, agriculture, commerce, and transport.

MCC is also putting in place a partnership with the OECD to identify reforms that are needed to increase competitiveness of sectors related to potential compact projects as well as hiring an additional due diligence consultant to engage the in-depth expertise needed to conduct an assessment of the impact and feasibility of proposed reforms. MCC and the GoT are also examining the particular challenges of SMEs, and specifically women-owned businesses, in the Tunisian business environment and considering how to ensure that businesses in the interior can benefit from the reforms and infrastructure improvements that are likely to result from MCC's upcoming investment in Tunisia.

Côte d'Ivoire

The \$524.7 million Côte d'Ivoire Compact was signed on November 7, 2017. Since then, the Government of Côte d'Ivoire has been focused on establishing the Accountable Entity that will be responsible for implementing the program. The priorities include establishing the MCA Board of Directors, recruiting key personnel, and transitioning the Resident Country Mission to Abidjan. The MCA's first Board meeting was held in March 2018.

The MCC Côte d'Ivoire Country Team continues to benefit from the thoughtful contributions and the evident depth of expertise that was made available to the team through the Advisory Council.

In particular, the Advisory Council's feedback helped inform the conceptual design for a Truck Parking and Logistics Center, and the decisions to pursue this as a Public Private Partnership and prioritize installing a traffic control system as part of the design of the Abidjan Transport Project.

With respect to our intervention in technical and vocational education and training (TVET), the MCC Côte d'Ivoire Country Team valued the Council's advice to make sure that it focuses on finding the right partners. This component has attracted the most attention from the private sector, including large multi-nationals looks to expand their operations in Côte d'Ivoire. MCA-Côte d'Ivoire plans to hold a series of workshops beginning in May to continue our outreach to potential partners for the TVET centers.

Northern Triangle PPP Progress Updates

Honduras

President Juan Orlando Hernández recently announced plans to restructure the central Public Private Partnership ("PPP") authority, Coalianza. MCC funds will help structure the new entity and strengthen its capacity to develop and implement PPPs. Invest-H, the accountable entity for the Honduras Threshold Program, will now manage all existing and future road PPPs. Invest-H is now seen as an experienced entity sought out by international donors and development banks to implement their programs.

Guatemala

The Puerto Quetzal – Escuintla Toll Road

- The concessionaire will rehabilitate, operate and maintain the Puerto Quetzal – Escuintla toll road.
- The government of Guatemala is in the process of procuring the concessionaire for this toll road.
- Estimated amount of private investment: \$100m+
- Feasibility study complete

La Aurora International Airport PPP

- The concessionaire will rehabilitate, operate and maintain La Aurora International Airport in Guatemala City.
- The government of Guatemala will launch the procurement for this PPP; timing for the launch is TBD.
- Estimated amount of private investment: \$114m+
- Feasibility study in process

MetroRiel Light Rail Transit System

- The concessionaire will build, operate and maintain the MetroRiel light rail transit system in Guatemala City.
- The government of Guatemala will launch the procurement for this PPP; timing for the launch is TBD.
- Estimated amount of private investment: \$100m+
- Feasibility study in process

El Salvador – PPP Progress Updates

Transaction Advisor 1

- The Millennium Challenge Account in El Salvador, Fomilenio II (F2), is currently evaluating transaction advisor bids and plans to contract this work in April 2018:
 - a. Cargo Terminal PPP - Rehabilitate, operate and maintain Cargo Terminal at El Salvador International Airport
 - Estimated amount of private investment: Phase 1 - \$13m; Phase 2 - \$44m
 - Feasibility study completed
 - b. Street Lighting / Surveillance PPP - Install, operate and maintain street lighting and surveillance on 140km of highways around San Salvador
 - Estimated amount of private investment: \$18m
 - Feasibility study completed

Transaction Advisor 2

- Launch of this procurement is TBD
 - a. Hachadura - Kilo 5 toll road - Rehabilitate, operate and maintain the CA-2 highway between La Hachadura and the Port of Acajutla
 - Estimated amount of private investment: \$117m
 - Feasibility study in process
 - b. North Metropolitan Corridor toll road - Build, operate and maintain the northern portion of a ring road around San Salvador
 - Estimated amount of private investment: TBD
 - IDB is financing some/all of the feasibility study
 - c. South Metropolitan Corridor toll road - Build, operate and maintain the southern portion of a ring road around San Salvador
 - Estimated amount of private investment: TBD
 - World Bank financing business case analysis (30% of a feasibility study), which will be done by September 2018. F2 then needs to finance the remaining 70% of the feasibility study.

Transaction Advisor 3

- Launch of this procurement is TBD
 - a. Government Center - Finance, build, operate and maintain a new office complex to house government institutions
 - Estimated amount of private investment: \$180m
 - Feasibility study in process
 - c. Border Crossings
 - Operate and maintain border crossing facility at i) Anguiatu (that API will rehabilitate), and ii) El Amatillo (that the Logistical Infrastructure Project will rehabilitate)

- Estimated amount of private investment: TBD
- Feasibility study to be completed

d. Technological Park - Build, operate and maintain

- Estimated amount of private investment: \$28m
- Feasibility study completed

El Salvador Investment Challenge Update

Proposed Public Good	Approved by ESIC Investment Committee					Stage in Development
	Private companies	Sector	ESIC \$ (USD million)	Private \$ (USD million)	Private / Public Ratio	
Workforce Training	Aeroman	Aeronautics	3.4	32.2	9.6	Implementation
Agriculture extension services	APANC	Agribusiness	0.05	0.2	4	Implementation
Nejapa Wastewater Treatment Plant	Lactolac, Grupo Calleja	Agribusiness	12	23.6	1.966667	Implementation
El Zonte (La Libertad) Wastewater Treatment Plant	Roberto Oceano, Surfing Pacifica, Grupo Menendez	Tourism	3	4.7	1.566667	Implementation
San Carlos (El Paisnal) Potable Water Plant	ACOPASCA	Agribusiness	0.5	0.8	1.6	Implementation
Cantón El Brazo (San Miguel) Flood control	Avicola Campestre	Agribusiness	2.2	10.7	4.9	In Evaluation
Plastic Institute - workforce training	TermoEncogibles, SalvaPlastic, IberoPlastic, Polietileno, Propladi, Sanchia	Plastics	8.0	13.2	1.7	In Evaluation
La Laguna flood control	TermoEncogibles, SalvaPlastic, St. Jacks	Plastics	6.0	9.0	1.5	In Evaluation
Anguiatu border crossing	Livsmart, Merlet, Negocios Div., Swisstex	Food & Beverage	25.0	43.5	1.7	In Evaluation
Irrigation system	La Cabaña, Diana	Agribusiness	10.0	58.0	5.8	In Evaluation
By-Pass road (b/w CA-1 & CA-2 highways)	Livsmart, La Cabaña, Diana, Swisstex, La Magdalena, La Sultana	Food & Beverage, Agribusiness	12.0	69.0	5.8	In Evaluation
Sub-Total			82.1	264.9		