

Chapter 6: Guidelines for the Consultative Process

Overview

MCC is committed to the consultative process as a key driver of compact development and successful compact implementation. Development experience confirms that public participation results in programs that better reflect national priorities and have a higher likelihood of success. In addition, the legislation establishing MCC requires that “in entering into a Compact, the United States shall seek to ensure that the government of an eligible country (1) takes into account the local-level perspectives of the rural and urban poor, including women, in the eligible country; and (2) consults with private and voluntary organizations, the business community, and other donors in the eligible country.”

This document is designed to provide eligible country partners with an overview of how consultations are integrated into compact development and implementation, and to explain MCC’s expectations with regard to management and reporting on this process.

Defining a “Consultative Process”

For MCC, a “consultation” is a two-way communication about compact development and implementation that occurs between the core team (during development) or MCA accountable entity (during implementation), and any stakeholder group. A “consultative process” is a series of consultations that have been strategically organized to provide and collect information from stakeholders regarding compact development or implementation.

The purpose of this process is to establish a sustainable mechanism for effective civic (and other public) engagement in the compact. Consequently, it should make as much use of existing domestic institutions and processes as possible, and avoid one-off efforts to gather information from citizens or civic groups through forums that cannot be re-convened later.

Taking an Integrated Approach

To be effective, consultations are an ongoing process that is integrated into both compact development and implementation, rather than a single discrete activity. MCC expects its country partner governments to consult with appropriate stakeholders including ministries, organizations and others representing the interests of women and other vulnerable/underrepresented groups at national, regional and local levels, as well as those related to environmental sustainability and other relevant interests. These consultations will be conducted at appropriate times throughout the entire compact process, and the results of these consultations will be reflected in the country’s actions and decision-making.

The MCC compact development and implementation processes may be most easily thought of as having six distinct phases. Three phases occur before compact signing (Start-up and Preliminary Analyses, Project Definition, and Project Development and Appraisal) and three occur after compact signing (MCA Governing Structures, Implementation Start-up prior to Entry Into Force, and Implementation). An effective compact requires different types of information-gathering and public awareness at each of these phases. Consequently, the methods and tools used for consultations changes as well.

Tailoring consultation activities to each specific phase enables the population groups that may benefit from a compact to describe economic and social obstacles as they experience them; discuss potential solutions that would work in a local context; highlight flaws in previous efforts to address these challenges; debate the technical design and requirements of new proposals; and provide feedback about the impact of a compact project as it is implemented. It also provides the government with a forum in which to explain what decisions have been taken and why.

Depending on where a country is in the compact process, MCA representatives might consult with civic actors, legislative or local government bodies, private sector companies, professional associations, technical experts, labor unions, business associations, religious groups, women-focused organizations, diaspora groups, universities, environmental and social NGOs, or loosely organized citizen groups, among others. For their part, organizations

that participate in the process must realize that being consulted does not mean that a given organization's proposed project or particular point of view will necessarily be included or reflected in the compact.

Consultative Process in the Context of a Compact

A. Phase 1 - Start-up and Preliminary Analyses

In this first stage of compact development, an eligible country appoints its core team and initiates a Constraints Analysis (CA). If a PRSP or national development strategy already exists, a decision is taken as to how to draw from it for compact development purposes.¹

The first step in the consultative process is the development of a strategy for public consultation led by the outreach/participation coordinator in the country's core team. The strategy will include information on the relevant stakeholders and the process for identifying others, a timeline on when they will participate, and the methodology used for the consultation. MCC will review the quality and content of the consultation strategy and provide feedback to the core team before the process begins. The review will also include an assessment of how social / gender considerations are integrated to the strategy in order to ensure meaningful participation of women and men during compact development and implementation.

The CA itself draws on both desk research and conversations with economists and other experts both inside and outside of the government. This represents a first round of consultations. The results of the analysis should inform further consultations with domestic and international private sector actors; the urban and rural poor; gender-focused organizations; environmental and social NGOs; donor agencies; citizen associations of various types; and other appropriate stakeholders.

With the MCC team, the country also conducts a review to identify gender and other social inequalities that can be constraints to growth and poverty reduction or must be addressed to ensure effective project design.

At this point, each consultation has several purposes:

- ★ To manage public expectations about the meaning of eligibility, including general messages about the potential size and timing of a future compact with MCC.
- ★ To explain the compact development and decision-making processes to interested stakeholders so that they will know how and when they can participate in the compact development process, how their views will be sought, and how decisions will be made;
- ★ To gather information about various groups' experience (including women and men of different ages, social class/status, ethnicity, and other social difference) of the constraints to economic growth as defined by the constraints analysis (including prioritization and recommended solutions) so that it is possible to determine the way these obstacles affect growth, poverty, and livelihoods; and
- ★ To identify potential groups and partners for moving forward with consultations throughout the life of the compact.

The information gathered in these consultations should contribute directly to the country core team's prioritization of obstacles and/or sectors for intervention. It is therefore necessary that both women and other vulnerable groups have meaningful participation throughout the process.

To the extent that the government has recently undertaken broad based consultations around its own national development plans and strategies, or constraints analysis, MCC will work together with the country core team to assess what further consultations are appropriate, keeping in mind MCC requirements such as those in the MCC gender policy.

B. Phase 2 - Project Definition

¹ The legislation establishing MCC requires that "the Compact should take into account the national development strategy of the eligible country." Also see MCC guidelines on conducting a constraints analysis for further information, and related requirements in MCC's gender policy and gender integration guidance.

As priority obstacles and sectors are defined, the core team will work to identify possible solutions and opportunities that could stimulate investment and growth and reduce poverty. This requires focused stakeholder consultations and analysis to diagnose root problems and identify actionable responses.

At this point, the purpose of stakeholder working groups and other consultations is to gather the kind of experiential information that is needed to form the basis of proposed compact investments. These consultations would continue with segments of society that are most directly affected by (and/or most directly able to affect) prioritized obstacles and sectors. This includes specific population groups; issue-specific experts or NGOs, especially relevant environmental and social organizations, including women's and gender equality organizations; political and private sector leaders; and the donor community. The feedback from potential beneficiaries and other relevant actors can be used to identify specific programs and interventions that will form the basis of project concept papers.

Core teams are expected to report on consultations undertaken in this phase in their project concept paper submissions.

C. Phase 3 - Project Development and Appraisal

Once a concept paper has been submitted to MCC, public consultations become narrower and more technically focused. Consultations at this stage have several main goals:

To explain publicly why the elements included in potential compact projects were selected;

To gather the locally- (or sector-) specific information needed to refine technical elements of the proposed projects; to ensure that gender and other social dimensions are meaningfully integrated in project design and beneficiary access; and to refine an impact monitoring and evaluation plan.

To ensure that project design alternatives, scoping and approach consider environmental and social impacts and sustainability and comply with related MCC policies and guidelines, national environmental requirements and international agreements.²

To access this type of information, the core team, other government agencies involved in project development, and contractors will need to consult with groups that are likely to benefit from or be affected by the detailed design and subsequent implementation of a proposed project. The actual participants will depend on the compact projects proposed and the type of technical detail needed to complete the next step in project design.

Consultations do not take the place of technical project design, feasibility studies, or alternatives studies. They do, however, provide the information needed to complete project design in such a way as to maximize positive impact for the intended beneficiaries, and minimize risks. Once this is complete, and the projects are well-defined and supported by the needed technical studies, the core team shifts its energies to compact negotiation, approval, and signing.

D. Phase 4 – Compact Negotiation

During compact negotiations MCC and the core team finalize a governance structure for compact implementation. As one means of continuing consultations with key civic stakeholders during implementation, most compact countries have incorporated rotating or permanent civil society and private sector representation into the MCA governing structures, other countries have created public/private advisory boards or regularly-consulted stakeholder committees.

E. Phase 5 – Pre-EIF Activities

Once a compact has been signed, the MCA accountable entity finalizes the legal, financial, and staffing requirements needed to begin implementation of compact projects. For this phase the two main outreach tasks are:

- ★ Promote realistic public understanding of the compact (e.g., set or manage public expectations about compact implementation)
- ★ Establish transparency and communication mechanisms to be used in implementation.

² For more information, please refer to MCC's Environmental Guidelines and [Gender Policy](#)

When establishing the early communication mechanisms that will be used throughout implementation, MCA outreach officers may find it useful to work with the MCA staff responsible for project management, environment, social and gender assessment, as well as monitoring and evaluation to design a strategy that considers all of MCC's outreach and consultation needs.³

E. Compact Implementation

Once implementation begins, public consultations become more of an ongoing exchange of information. The communication and transparency mechanisms established during the mobilization phase are used for three purposes:

- ★ To provide intended beneficiaries with the information needed to encourage and enable them to participate in compact projects;
- ★ To gather information from beneficiaries and stakeholders about the impact and effectiveness of compact projects (with an eye to correcting problems and scaling up positive outcomes); and
- ★ To provide interested stakeholders and the general public with information about the progress and impact of the compact as it is implemented.

Throughout implementation, the accountable entity will find itself in various interactions with the groups likely to benefit from or be adversely affected by the implementation of a compact project; civic and private sector groups that will want information on compact implementation as it progresses; the media; national legislative bodies; appropriate local government institutions; and government or civic monitoring bodies.

Managing a Consultative Process

Consultations are intended to be a useful element of compact development and implementation, adding practical beneficiary perspective, reinforcing broad political support, and remaining responsive to the country's own domestic institutions of accountability (legislatures, NGOs, etc.). Core teams or accountable entities should, therefore, plan and manage consultations in the manner that best meets these goals and informs their compact process.

To this end, MCC asks that each country appoint a member of the core team (and ultimately accountable entity) with demonstrated experience planning and managing participatory stakeholder consultations, to develop and implement a comprehensive communications/outreach strategy, and to serve as a resource to the rest of the team. They should be free to work with NGOs, private sector firms, or other groups with experience in consultative processes for guidance on identifying stakeholders, creating a strategic consultation plan, designing and conducting consultations with specific groups that require especially focused approaches, or for synthesizing feedback received during consultations into a useable format for implementation of the plan. They should also have the ability to successfully ensure MCC's requirements for social/gender inclusion in every phase of the consultative process.

At a practical level, detailed consultations with particular demographic groups often require special methods and tools (to accommodate language barriers; overcome social norms regarding gender, class or ethnicity; or to reach traditionally excluded groups). In these cases MCC can offer some technical support or training, but countries should be prepared to identify additional local specialists as needed.

To date, eligible countries have relied on a number of tactics to integrate consultations into broader compact development and implementation processes. These have included:

- ★ Information dissemination through television, radio, the internet, and newspapers, or Public awareness campaigns through local organizations;
- ★ Preliminary conversations with economists, sociologists, anthropologists, political scientists, and other experts

³ To incorporate the consultations dimension into a communications strategy, it may be useful to ask: How will the public find out about Compact progress? How and to whom will the accountable entity need to communicate compact updates? What groups will be best able to give feedback on the effectiveness of various compact projects? What are the most effective communication tools to gather and disseminate information to and from the range of relevant groups?

- during the constraints analysis and preliminary analysis of social/gender constraints and opportunities;
- ★ Consultations through existing representative bodies such as Local Development Councils;
 - ★ Consultations convened through NGOs especially to engage the perspectives of women and vulnerable groups;
 - ★ Stakeholder workshops and prioritization sessions conducted for purposes of results based program design;
 - ★ Conversations or briefing with elected officials in the legislature or at local levels;
 - ★ Project level consultations or focus groups with intended beneficiaries to inform design, environmental and social assessments, or resettlement plans;
 - ★ Inter-active discussions at town hall meetings, speaking tours, round-table discussion, and question and answer sessions;
 - ★ Information sessions with domestic and international private sector actors during any efforts to leverage private resources to complement compact investments;
 - ★ Information dissemination through newsletters, emails, factsheets, and communication workshops
 - ★ Direct requests for comment, input, or proposals from domestic non-governmental organizations (whether in writing, at public events, or in one-on-one meetings);
 - ★ Conversations and collaboration with other international donors active in-country;
 - ★ Integration of civic organizations into the formal accountable entity governance structure;
 - ★ Reasonable cooperation with domestic civic efforts to monitor aid-effectiveness; and
 - ★ Consultations, focus groups, or surveys to inform mid-term evaluations or re-designs.

In developing an approach, countries should be aware that on-going, participatory and meaningful consultation with stakeholder groups requires different skill sets, methods and tools than those usually associated with media communications, and that both are necessary functions.

Reporting on Consultations

Because the consultative process is not a stand-alone phase of the compact, reporting on these efforts is integrated into the other documents and products delivered to MCC by core teams or accountable entities. MCC asks for:

An appendix to the constraints analysis that briefly describes how, following the completion of the analysis, country partners consulted with a broad range of individuals and groups to solicit feedback on whether the identified constraints generally reflected their views on key barriers to economic growth and poverty reduction. The appendix should note the extent to which these consultations presented new information or led to alternative analysis. As part of this review, countries should describe how analysis of social/gender differences informed the consultation design and their plans to ensure the meaningful participation of women and men as the compact is further developed and implemented.

As part of the project concept paper, there are several sections in which the country core team should describe how their work has been shaped by the consultative process.

As part of a commitment to transparency in implementation, MCC expects accountable entities to develop and use regular mechanisms to solicit public feedback. MCC will monitor these efforts by looking at the information and events that accountable entities make public.⁴

⁴ MCC requires all accountable entities to establish and maintain a web-page with contact information, as well as procurement, disbursement, and implementation updates or data. While this does not meet all outreach and consultation needs, it can be a useful coordinating point.

