

Chapter 11: General Infrastructure Guidance

The following guidance applies to all infrastructure projects, regardless of sub-sector or type of project and should be considered as general guidance. The guidance is intended to cover all aspects of a complex project in a comprehensive manner.

In accordance with MCC's compact development process, an early assessment of an eligible country's concept paper shall be made to determine whether the projects contained in the concept paper qualify for project development or appraisal, should be dropped from further consideration by MCC, or should be modified and developed further prior to appraisal. This assessment is primarily focused on: (i) **justification** of the proposed project, i.e., whether the proposed project has sufficient characteristics to be able to contribute to poverty reduction through economic growth; (ii) whether the proposed project is **sufficiently well developed**, and if so, whether MCC recommends that appraisal could commence; (iii) an early indication that the project is **technically viable**; (iv) an early indication that the project **can be implemented within the compact term** (maximum of 5 years); and (v) an early indication that the project benefits **can be sustained over time**. Moreover, the concept paper assessment will also make a determination on: (a) whether mitigation measures required to improve the project's sustainability or reduce project risks are formidable; and (b) whether fundamental policy and regulatory environments relating to the project or applicable sector are acceptable to MCC, and if not, whether meaningful changes can be made within the compact development or compact implementation time frame. Typically, MCC would not recommend that appraisal or project development be continued if any of these factors are found to be unsatisfactory.

For most infrastructure projects, MCC requires a comprehensive, recent (i.e., not older than 5 years) feasibility study of acceptable quality to commence appraisal. A generic table of contents for a feasibility study should include the following:

1. Detailed Project Description
2. Policy and Regulatory Environment and Issues; Conformance with Sector Strategy
3. Analysis of Site Conditions
4. Special Studies (such as topographic, geological, geotechnical, hydrological, structural, as may be appropriate for the particular project)
5. Project Justification
6. Project Design and Project Alternatives
7. Comprehensive Project Costs and Schedule
8. Beneficiary and Economic Analysis
9. Environmental and Social Impact Assessment
10. Financial Sustainability
11. Operations and Management (O&M)
12. Institutional Capacity and Capability
13. Implementation Management and Construction Schedule
14. Construction Resources
15. Pre-Construction Activities

MCC will use the feasibility study as the basis to make a determination on what supplemental studies, if any, are required to develop the project sufficiently so that appraisal could commence. **Once MCC has made the determination to commence appraisal, the MCC infrastructure group will conduct the assessments and identify any key constraints.**

The remainder of the guidance is provided for each major project type due to differences in requirements.

