

Chapter 30: Guidelines for Accountable Entities and Implementation Structures

1.0 Introduction

In connection with entering into a Compact, the government of a Millennium Challenge Account eligible country (“**Government**”) must identify a legal entity that will be accountable for the projects funded by the Millennium Challenge Corporation (“**MCC**”). MCC will fund these projects under a grant agreement, referred to as the Millennium Challenge Compact, between MCC and the Government, using financial assistance from the Millennium Challenge Account (“**Compact**”). This Accountable Entity will have the authority and responsibility to oversee the MCC funded projects and their various components and activities (“**Program**”), allocate resources, oversee and implement a financial plan, approve expenditures and procurements, continue the consultative process, and be accountable for the Program’s results. The Accountable Entity serves as the single point of contact on behalf of the Government during implementation of the Program for MCC, other donors, contractors and consultants, as well as the general citizenry. Regardless of the entities selected to implement the Program (private sector, non-governmental organization, Government Affiliate or other organization), the Government through the Accountable Entity remains responsible for its commitments under the Compact. Thus, determining the appropriate Accountable Entity and its supporting structure is a key Government decision.

1.1 Scope

- A. This policy document sets forth MCC’s guidance with respect to the Accountable Entity, the legal entity designated under the Compact between MCC and the Government of the MCC eligible country to implement the projects specified in the Compact.
- B. These guidelines also address the rights and responsibilities of the Accountable Entity in relation to the other entities designated either to assist in the implementation of the Compact, specifically the fiscal agent, the procurement agent and the implementing entities, or to provide advice to the Accountable Entity, such as a Stakeholders Committee or Advisory Council.

1.2 Definitions. The following compendium of capitalized terms that are used in these guidelines is provided for the convenience of the reader.

- A. “**Accountable Entity**” means the legal entity designated by the Government to implement the Program on behalf of the Government during the Compact term.
- B. “**Accountable Entity Action Plan**” means a plan to prevent fraud and corruption within the Accountable Entity and by its contractors.
- C. “**Advisory Council**” means the council or committee that provides formal guidance and recommendations to the Accountable Entity’s designated final authority if such final authority is an individual. For example, if the Accountable Entity is an existing ministry or other Government Affiliate, an Advisory Council can be established to advise the minister responsible for the Accountable Entity.
- D. “**Board**” means the body having the final authority for the actions of the Accountable Entity. Other names utilized by MCC countries include board of directors, supervisory board, supervisory council, steering committee and governing council.
- E. “**Compact**” has the meaning given this term in Section 1.0.
- F. “**CPS**” means Common Payment System which utilizes both the International Treasury Services

(ITS) and/or Secure Payment System (SPS) by MCC to process payments in US dollars or foreign currency directly to vendors for goods, works or other services received.

- G. **“Disbursement Agreement”** means the agreement between MCC, the Government and the Accountable Entity, which provides the terms and conditions for disbursements of MCC Funding. Beginning in May 2007, a Program Implementation Agreement, rather than a Disbursement Agreement, will be executed in connection with Compact implementation.
- H. **“Executive Committee”** means a committee, comprised of selected Board members, authorized to take certain limited actions.
- I. **“Fiscal Accountability Plan”** means a manual setting forth the principle mechanisms and procedures that the Accountable Entity will use to ensure appropriate fiscal accountability for the use of MCC Funding.
- J. **“Fiscal Agent”** means the entity selected and engaged through an international competitive process, the Ministry of Finance, or another governmental entity, as agreed between the Government and MCC, responsible for performing certain financial management activities on behalf of the Accountable Entity.
- K. **“Government”** has the meaning given this term in Section 1.0.
- L. **“Government Accountability Office”** or **“GAO”** means the U.S. Government Accountability Office.
- M. **“Government Affiliate”** means an affiliate, ministry, bureau, department, agency, government, corporation or any other entity chartered or established by the Government.
- N. **“Governing Documents”** means the charter, decree, agreement, bylaws, articles of incorporation, governance agreement and other documents evidencing the formation, establishment and governance of the Accountable Entity.
- O. **“Implementation Documents”** means certain documents related to Compact implementation, including the M&E Plan, the detailed financial plan, the procurement plan and the work plans developed by the Accountable Entity and, as applicable, approved by MCC.
- P. **“Implementing Entity”** means any Government Affiliate engaged by the Accountable Entity to implement and carry out any project, project activity (or a component thereof) or any other activities to be carried out in furtherance of the Compact.
- Q. **“Inspector General”** means the Inspector General of the United States Agency for International Development.
- R. **“Key Staff”** means the following positions in the Management Unit or as otherwise defined in specific Compact documents: (1) chief executive officer (sometimes referred to as the director general, national coordinator or managing director), (2) deputy chief executive office (sometimes referred to as the chief operating officer), (3) chief financial officer, (4) legal advisor, (5) director of procurement, (6) director of environmental and social assessment, (7) director of monitoring and evaluation, and (8) project directors for each major project under the Compact.
- S. **“Management Unit”** means the employees of the Accountable Entity responsible for the day-to-day activities and assisting the Board or other relevant final authority with the implementation of the Program.

- T. “*MCC*” has the meaning given this term in Section 1.0.
- U. “*MCC Disbursement Request*” means the written requests for periodic disbursements of MCC Funding submitted to MCC by the Accountable Entity.
- V. “*MCC Funding*” means the financial assistance provided by MCC to the Government under the Compact.
- W. “*M&E Plan*” means the plan for monitoring and evaluating the Program that is developed and adopted by the Accountable Entity (as approved by MCC).
- X. “*Observer*” means a nonvoting member of a Board who is an employee or representative of MCC.
- Y. “*Officer*” has the same meaning as Key Staff.
- Z. “*Permitted Account*” means any bank account established pursuant to the requirements of the Compact and maintained for the purpose of receiving and re-disbursing MCC Funding.
- AA. “*Procurement Agent*” means the entity selected and engaged through an international competitive process or a Government ministry or agency, as agreed between the Government and MCC, that will assist the Accountable Entity with carrying out procurement related activities to procure goods, works and services on behalf of the Program.
- AB. “*Procurement Guidelines*” has the meaning given this term in Section 3.6(D)(11).
- AC. “*Program*” has the meaning given this term in Section 1.0.
- AD. “*Program Assets*” means the assets and property purchased or funded in whole or in part with MCC Funding.
- AE. “*Program Implementation Agreement*” means the program implementation agreement between MCC, the Government and the Accountable Entity that specifies certain terms for Compact implementation. Beginning in May 2007, a Program Implementation Agreement, rather than a Disbursement Agreement, will be executed in connection with Compact implementation.
- AF. “*Stakeholders Committee*” means a body of representatives of the private sector, civil society and local and regional governments that has been formally established to provide advice and input to the Accountable Entity regarding the implementation of the Program.
- AG. “*Substantive Agreements*” has the meaning given this term in Section 3.2E(iii).

2.0 Minimum Requirements for the Accountable Entity

2.1 Legal Requirements

- A. The Accountable Entity must have the legal capacity to enter into agreements with MCC and other Government Affiliates; to enter into employment agreements with employees; to enter into contracts with contractors and consultants; and to comply with the legal requirements of the Compact, including the limitations on the use of MCC Funding and certain other U.S. law requirements.
- B. The Accountable Entity should be legally entitled to hold a bank account. However, if the local

law prohibits the Accountable Entity from holding a bank account, the Government and MCC can mutually agree on an alternative arrangement.

- C. The Accountable Entity can take many legal forms, including administrative units within existing ministries, foundations, government-owned corporations, and newly established ministries. As long as the proposed structure of the Accountable Entity satisfies the legal requirements and requirements of independence and transparency set forth in these guidelines, the Government can propose a new structure for the Accountable Entity or adapt structures similar to those utilized by other MCC countries.

2.2 Accountability, Independence and Transparency

- A. MCC requires the Government to utilize an Accountable Entity for the Program to ensure that there is a central point of accountability with respect to the Program. The Accountable Entity structure can build off of existing Government systems and structures or establish a new Government Affiliate or other type of entity that best suits the needs of the Government and the Program; however, the Accountable Entity must establish a central point of contact for MCC, other donors, contractors, consultants and the general citizenry with respect to the Program. This type of accountability will promote good governance practices within the Program and the Government and support the successful completion of the Program within the term of the Compact.
- B. The Government should ensure that the Accountable Entity has the necessary operational independence and decision-making authority to effectively and efficiently implement the Compact and to fulfill all relevant Compact-related requirements. While ensuring an appropriate level of independence is helpful in preventing undue politicization of decisions, ensuring the preservation of Government accountability for the results of the Program is also important.
- C. The nature and objectives of the Compact should dictate the required level of independence and the optimal structure of the Accountable Entity. For example, MCC countries have utilized the following structures with varying levels of independence from the Government:
 - (1) Georgia. The prime minister served as the initial chairman of the Board of the Accountable Entity, which is a public corporation established by the Government. However, each subsequent chairman has been and will be chosen by a majority vote of the Board members.
 - (2) Vanuatu. The Accountable Entity was established as a unit within the Ministry of Finance and Economic Management; however, the Board members are represented by director general level government officials and representatives of the NGO community and civil society. The chairman of the Board is the director general of the Office of the Prime Minister. The Minister of Finance and Economic Management does not serve on the Board of the Accountable Entity and has waived his authority over the Accountable Entity, meaning the Board members are able to make decisions on behalf of the Accountable Entity that are not subject to review by the Minister of Finance and Economic Management.
 - (3) Nicaragua. The Accountable Entity was established as a foundation. The initial chairman of the Board was the Secretary of the Technical Secretariat of the Presidency. Each subsequent chairman has been and will be appointed by mutual agreement of the Government of Nicaragua and MCC.
 - (4) Ghana. The Accountable Entity was established as a new Government authority established by Parliamentary decree to oversee Compact implementation, as well as manage

other donor programs. The initial chairman of the Board was the incumbent minister of the Ministry of Public Sector Reform..

For brief descriptions of each of the Accountable Entities established by Governments that have entered into Compacts with MCC, please see Annex 1 to these guidelines.

- D. The Accountable Entity will be transparent with respect to its decision-making by (i) including civil society in the decision-making process of the Accountable Entity and the Program and (ii) complying with the requirements to post on the Accountable Entity’s website or make otherwise publicly available decisions of the Accountable Entity, Advisory Council and Stakeholders Committee and certain other information. For further discussion of the requirements for transparent decision-making, see Section 3 of these guidelines.
- E. Civil Society and Private Sector Participation. The participation of civil society and the private sector in the decision-making of the Accountable Entity and Program implementation can take several forms, both formal and informal. First, civil society and private sector participation should be institutionalized in the decision-making process by having civil society and private sector representation on (i) the Board and/or (ii) an Advisory Council that will make recommendations to the Accountable Entity final authority(s). Second, it is important to ensure ongoing consultation with civil society and the private sector throughout implementation of the Program. Most MCC countries have established a Stakeholders Committee that provides an opportunity for civil society and the private sector to receive regular Program updates from the Accountable Entity and to provide feedback and oversight for the implementation process. While the Stakeholders Committees often do not have formal decision-making authority, such committees are often established to serve as a mechanism for ongoing consultations between the Government and the public throughout Program implementation, and in some cases have a voice in selecting civil society and private sector representatives on the Board or the Advisory Council.
- F. Information Publicly Available. The Accountable Entity will make the following documents, agreements, and information publicly available in English and the local language, as applicable, by posting such information on the Accountable Entity’s website or through other appropriate means:
1. The Compact and all reports required by the Compact;
 2. All minutes of the meetings of the Board of the Accountable Entity or decisions of the relevant designated final authority acting on behalf of the Accountable Entity (such as the minister or senior most official of the Government Affiliate acting as the Accountable Entity);*
 3. All minutes of the meetings of the Advisory Council and Stakeholders Committee;*
 4. The M&E Plan, along with periodic reports on Program performance;
 5. All project environmental and social impact assessments and supporting documents;
 6. All audit reports by an auditor and any periodic reports or evaluations by a reviewer (each as defined in the Compact or MCC’s audit guidelines, as applicable);

7. Disbursement Agreement or Program Implementation Agreement, as applicable, and a summary of all requests for disbursements of MCC¹;
 8. All procurement policies and procedures (including standard documents, procurement plans, contracts awarded, and bid challenge procedures);
 9. A copy of any legislation and other documents related to the formation, organization and governance of the Accountable Entity, including the Governing Documents, and any amendments thereto; and
 10. Such other information, documents, reports and agreements as MCC may require after notifying the Accountable Entity.
- G. The documents marked with an asterisk* do not need to be translated into English if they are written in Spanish, French or Portuguese.
- H. Notwithstanding the foregoing requirements regarding making certain information public, information relating to procurements prior to the award of a contract and confidential information relating to the Accountable Entity's agreements with employees, contractors and consultants must be excluded from the information and documents made publicly available. Determinations as to what information can be excluded should be agreed with MCC.

2.3 Utilization of Existing Implementation Structures

- A. Existing implementation structures established by other donors in the country, such as program implementation units or administrative structures, can be utilized as the Accountable Entity for the Program or as a model for the Accountable Entity to the extent such structures are consistent with MCC requirements and will be efficient for implementing the Program.
- B. Existing Government systems and structures can be utilized to the extent such structures are consistent with MCC requirements and will be efficient for implementing the Program. For example, an existing Government Affiliate can be used as the Accountable Entity and the Ministry of Finance can be used as the Fiscal Agent.

2.4 Timing of Establishment of the Accountable Entity

- A. The Government should include a proposed structure for the Accountable Entity in its proposal for MCC Funding.
- B. The Accountable Entity should be established by the Government as early as possible to accelerate Compact implementation. As soon as the Government and MCC reach agreement on the composition and legal structure, the Government can proceed with establishing the Accountable Entity, including prior to Compact signing.

3.0 Structural Components of the Accountable Entity

3.1 Overview. The Accountable Entity will include the following structural components:

¹ The summary should include the amount of funds requested for each quarter.

- A. a body or person that will be accountable for the implementation of the Program (that is, a Board or the minister or senior most official in charge of the entity acting as the Accountable Entity) and be the final authority for all actions of the Accountable Entity;
- B. if the Accountable Entity has one final authority, such as a minister in charge of a particular ministry, an Advisory Council, which will encourage transparency and incorporate civil society and private sector participation into the decision-making for Program implementation;
- C. a Stakeholders Committee, representing beneficiaries and local constituencies; and
- D. a Management Unit, which will be responsible for implementing the Program, including overseeing the day to day management of the Program, and for carrying out the directions of the designated final authority.

3.2 Board Structure, Composition and Duties

- A. Role of the Board. While it is not an MCC requirement, the Accountable Entity may include a Board, composed of a small group of members, since it is an efficient mechanism to ensure civil society participation and transparency in the decision-making process for the Program. MCC will support implementation structures that do not include a Board, if such structures can capture the same level of independence, transparency and efficiency that a Board structure provides.

The Board, if established, will be responsible for exercising oversight and taking major decisions on behalf of the Accountable Entity. Members of the Board must discharge their responsibilities by (i) staying informed and providing appropriate oversight to the Management Unit regarding the progress of Compact implementation, and (ii) holding regular meetings to take actions and grant approvals on behalf of the Accountable Entity as required under the Governing Documents and the other relevant supplemental agreements. Board members must adhere to the following standards, which should be reflected in the Accountable Entity's Governing Documents:

- (1) Governing Documents. The Board members have a duty to follow the Accountable Entity's Governing Documents, to carry out the Accountable Entity's mission to implement the Compact and to ensure that MCC Funding is used only for permitted purposes.
- (2) Active Participation. Board members must (i) have the authority to make the decisions at the Board meeting necessary to implement the Compact, and (ii) actively participate in overseeing the management of the organization, including attending meetings of the Board, providing strategic direction to the Accountable Entity, evaluating reports, reading Board meeting minutes, reviewing the performance and compensation of the Management Unit, and communicating relevant outcomes of each Board meeting to his/her constituents.
- (3) Board Actions. A Board member who is present at a meeting when an action is approved by the entire Board is presumed to have agreed to the action unless (i) the Board member objects to the meeting because the meeting was not lawfully called or convened, (ii) the Board member voted against the action, or (iii) the Board member is prohibited from voting on the action because of a conflict of interest.
- (4) Minutes of Meetings. Written minutes will be taken at every Board meeting, the form and substance of which is outlined in Section 3.2(G)(1) below.
- (5) Books and Records. Board members will have general knowledge of the books and records of the Accountable Entity, as well as its general operations. The Accountable

Entity's Governing Documents, accounting records, and Board meeting minutes will be made available to Board members who wish to inspect them.

- (6) Accurate Record Keeping. Board members will not only be familiar with the content of the books and records, but should also ensure that the organization's records and accounts are accurate and complete. The Compact requires the Government to take steps to obtain regular audits by independent auditors and to permit MCC, the Inspector General of the United States Agency for International Development (OIG, USAID), and the General Accountability Office to review the books and records of the Accountable Entity. The Board members will be aware of what the financial records disclose and take appropriate action to ensure there are proper internal controls, as specified in the fiscal accountability plan.
- (7) Program Assets. Board members have the duty to protect, preserve, and manage the Program Assets and to do so consistent with the Compact and applicable law. Board members may delegate such responsibility to members of the Management Unit; however, the Board should require an annual accounting for all Program Assets.
- (8) Investigations. Board members have a duty to investigate warnings or reports of Management Unit, employee, or contractor theft or mismanagement. In some situations, a Board member may have to report misconduct to MCC and the appropriate local authorities (for example, if Program Assets are missing or MCC funds are unaccounted for).

B. Composition; Role of the Observer.

- (1) Composition. The composition of the Board should be dictated by the needs of the Program and should incorporate relevant Government ministries and departments, non-governmental organizations (NGOs), and civil society and private sector representation. The Government should be represented by senior level officials who have the authority to act on behalf of the relevant ministry or department, as well as the capability to make the time commitment required of Board members. Representatives from NGOs, civil society, and the private sector should be chosen or elected for their representation of interest groups relating to the projects involved in the Program as well as their availability to make the required time commitment. Representatives from NGOs, civil society, and the private sector should not be selected by the Government, but rather selected through a transparent process established by the Stakeholders Committee or relevant NGOs, civil society organizations, and private sector organizations, as agreed with MCC.
- (2) Role of the Observer. The Board will contain a nonvoting member who is an employee or representative of MCC. The Observer is a nonvoting member of the Board. The Observer represents MCC's interests, not the Accountable Entity's interests, with respect to the implementation of and compliance with the Compact. The Observer role can be served by the resident country director or any MCC employee/contractor. The Observer will participate in all meetings of the Board either in person or by conference telephone and will be provided with the agenda and related documentation for each meeting of the Board. The Observer has the obligation to share documentation relating to the meetings of the Board with MCC and to participate in the discussions arising during the meetings of the Board.

The Observer also serves a vital role in identifying implementation issues and encouraging transparency in the Board decision-making process. Implementation issues should be referred to MCC and addressed in accordance with MCC policy and internal review

requirements. Transparency is most effectively advanced by the Observer encouraging open discussion of agenda items and ensuring participation of the non-Government members of the Board.

- C. Size. The Board should generally be large enough to include a multitude of interests within the country but small enough to operate efficiently (for example, ideally, the Board should be at the lower end of a range of 5 to 11 members). The number of voting members should be odd to prevent deadlock, unless otherwise agreed with MCC. Each voting member should designate a deputy with clear decision-making authority who can attend Board meetings when the voting member cannot attend. Nonvoting members will include the Observer and such other nonvoting members as are appropriate for the Program and agreed with MCC. Nonvoting members will have the same rights of access to information relating to the Accountable Entity as voting members of the Board.
- D. Chair. The activities of the Board should be managed by the chair of the Board. The chair should either be appointed by the Government as a permanent position or selected by a majority of the voting members of the Board to serve a specified term, such as two years. All documents and reports submitted to MCC by the Board in accordance with the Compact should be certified by the chair as (1) having been approved by the Board, and (2) being true, accurate and complete.
- E. Review and Approval Requirements.
- (1) In addition to the documents and reports referenced in Section 3.2(D) above, the Board will also be responsible for reviewing and approving the following documents, agreements and actions on behalf of the Accountable Entity, which cannot be delegated to the Executive Committee or Management Unit:
 - i. Procurement plans, Fiscal Accountability Plans, M&E Plans, and Accountable Entity Action Plans and any material amendments or supplements thereto;
 - ii. Agreements between the Accountable Entity and MCC, and any material amendment, suspension or termination of such agreements;
 - iii. Substantive agreements between the Accountable Entity and third-parties, and any material amendment, suspension or termination of such agreements, which include (1) agreements for the appointing, hiring or otherwise engaging an auditor or reviewer, a Fiscal Agent, a Procurement Agent, a financial institution approved to hold any Permitted Account, or an Implementing Entity, (2) agreements with a value greater than 1% of the relevant Compact and (3) agreements that may give rise to significant financial, technical, or reputational harm to the Accountable Entity if such agreement fails (agreements listed in subsections (1)-(3) above are “*Substantive Agreements*”);
 - iv. The employment agreement of the general director or chief executive officer and forms of the employment agreements to be used for the other Key Staff, all of which must include the final compensation amounts;
 - v. Audit findings and reports of the results of audits received from the audit committee;
 - vi. Any agreement that is (a) with a party related to the Accountable Entity or any party that controls, is controlled by, or is under common control with the Accountable Entity or (b) not at arm’s length (that is, the parties are not dealing from equal bargaining positions, one party is subject to the other’s control or dominant influence, or the transaction is not treated with fairness, integrity and legality);

- vii. Any pledge of Program Assets when the aggregate value of all pledged Program Assets is greater than \$1,000;
 - viii. Any material amendments or supplements to the Governing Documents;
 - ix. Any decision to dispose of, liquidate, dissolve, wind up, or reorganize the Board or Management Unit;
 - x. Any formation or acquisition of a subsidiary or other related entity of the Accountable Entity;
 - xi. Any material changes to the components or structure of the Accountable Entity, including adding or removing Board members and the following members of the Key Staff, regardless of actual title: chief executive officer, deputy chief executive officer, chief financial officer, legal advisor;
 - xii. Any decision to engage, to accept or to manage any funds from any donor agencies or donor organizations in addition to MCC Funding during the Compact term; and
 - xiii. Any other action that requires non-delegable Board approval pursuant to the Compact, Program Implementation Agreement, Procurement Guidelines, any Governing Document or other supplemental agreement.
- (2) Either the Board, or, if so designated in the bylaws or by a resolution of the Board, the Executive Committee or the chief executive officer (or equivalent) of the Management Unit may be responsible for reviewing and approving the following documents, agreements and actions on behalf of the Accountable Entity; *provided that*, if the Executive Committee or chief executive officer (or equivalent) approves such documents, the Executive Committee or chief executive officer (or equivalent) shall provide a complete, written copy of each of the following approved documents to the Board within 7 calendar days after such approval:
- i. Implementation Documents, other than the procurement plans, Fiscal Accountability Plans and M&E Plans, and any material amendments or supplements thereto;
 - ii. MCC Disbursement Requests;
 - iii. Audit plans submitted to MCC; and
 - iv. Reports (quarterly and annual) delivered to MCC.
- F. Meetings. Each meeting of the Board must satisfy certain minimum standards in order to be considered a valid meeting at which actions taken by the Board are valid and effective.
- (1) Frequency of Meetings. The Board will hold as many meetings as are necessary to discharge its duties and to ensure the effective implementation of the Compact. The Board should meet (i) at least quarterly on a regular schedule determined as far in advance as possible, and (ii) perhaps monthly in the initial stages of implementation of the Compact.
 - (2) Notice and Agenda. Adequate notice must be provided to all members of the Board (voting and nonvoting) setting forth the date, time and location of the meeting, as well as, an agenda of issues and documents for consideration. The specific time period for adequate notice should be set forth in the governance agreement or bylaws. Prior to the

effective date of the governance agreement or bylaws, adequate notice should be determined by local law applicable to the Accountable Entity or special rules may be approved by consensus/unanimous decision of the Board members to apply until the governance agreement or bylaws become effective.

The notice will specify whether the meeting is special or regular. Regular meetings of the Board should occur quarterly or monthly in accordance with the requirements of the Compact and the governance agreement or bylaws, as appropriate. Special meetings are usually called on an ad hoc short notice basis by the designated chairman or secretary of the Board. Notice for regular meetings usually requires 7 to 10 days prior notice, while notice for special meetings can require as little as 24 hours prior notice.

- (3) Attendance and Quorum. Attendance at Board meetings is very important. Members can attend meetings (i) in person, (ii) by sending a deputy (subject to certain limitations specified in the Compact or Governing Documents), or (iii) by telephone or video-conference (if permitted under local law, by special rule adopted by the Board or as specified in the governance agreement or bylaws).

Quorum is the number of voting members required to be in attendance at a meeting to permit the Board to make decisions that will be binding on the Accountable Entity. The governance principle behind establishing a quorum is that there should be a determinable number that is sufficient to reflect the will of the Board and the Accountable Entity itself. Quorum should be specified in the governance agreement or bylaws and require the presence in person, by deputy or by teleconference/videoconference of (i) all voting members, (ii) majority of the voting members, or (iii) a specific number of voting members (such as 2/3 or 3/4 of all voting members).

Prior to the effective date of the governance agreement or bylaws, quorum should be determined by local law applicable to the Accountable Entity or special rules approved by consensus/unanimous decision of the Board members to apply until the governance agreement or bylaws become effective.

- (4) Deliberation and Actions of the Board. All issues and documents for consideration by the Board will be presented and discussed by the Board. It is appropriate for one member of the Board, either a voting or nonvoting member, to provide a summary of the issue or document for consideration.

The decision-making process can be accomplished by reaching consensus among the voting members of the Board or by taking a vote. A specific number of votes in favor of an action by the Board should be specified in the governance agreement or bylaws for such action to be binding on the Accountable Entity. Prior to the effective date of the governance agreement or bylaws, voting requirements should be determined by local law applicable to the Accountable Entity or special rules approved by consensus/unanimous decision of the Board members to apply until the governance agreement or bylaws become effective.

- (5) Standard of Review. It is appropriate and efficient for the Board members to review summaries of the documents, agreements and reports being presented to it for consideration or approval. However, Board members should be made aware that reliance on such summaries does not relieve or excuse such members' responsibility for approving and taking action on the actual content of such document, agreement or report. Although efficiency in the administrative processes of the Accountable Entity is desirable, it should not be sought to the detriment of the accountability of the Board. The Board remains responsible for making decisions on behalf of the Accountable Entity and the Program.

G. Transparency of Board Decisions. The Board is charged with operating in a transparent manner. The most efficient way for the Board to achieve transparency is to record its decisions and discussions in the written form of meeting minutes. MCC requires that the Board evidence the discharge of its duties, including publishing the minutes of the Board meetings on the Accountable Entity's website or through other appropriate means within two weeks, and providing evidence of certain approvals as conditions precedent for MCC disbursements.

- (1) Content. The meeting minutes should be prepared by the person acting as secretary or record-keeper of the meeting and include, at a minimum, the following information: (i) the agenda and information regarding when notice was delivered to the Board, (ii) the list of attendees and absentees (for purposes of evidencing quorum), and (iii) summaries of the discussion of agenda items and the actions taken by the Board.

The amount of detail to be included in the minutes with respect to the discussion of agenda items should be dictated by the Board in consultation with MCC, but should be sufficient to reflect that a valid meeting of the Board occurred and to evidence that the Board took valid actions consistent with the requirements of the Compact, the Governing Documents and any other relevant supplemental agreement. It may be appropriate to exclude references to specific statements made by members of the Board, unless such member requests statements to be attributed to them (for example, to evidence dissent with respect to a particular decision). It may also be appropriate to list the voting results, but exclude the names of the voting members deciding in favor or disapproving an action of the Board.

- (2) Publication. MCC requires that the Accountable Entity publish the Board meeting minutes on the Accountable Entity's website or through other appropriate means. This publication requirement is intended to promote transparency and good governance. It may be appropriate, however, to exclude any confidential information relating to negotiations of contracts or procurement activities from the version of the minutes that is published. The minutes can be drafted and certified by the chairman of the Board in the local language; however, if the minutes are taken in a language other than Spanish, French or Portuguese, the minutes are required to be translated into English and published in the local language and English.

H. Action by Written Consent. The Board may take actions by written consent in lieu of holding a meeting if permitted by the governance agreement or bylaws of the Accountable Entity (or, if the governance agreement or bylaws are not yet effective, if permitted by the local law applicable to the Accountable Entity).

Good governance and best practices regarding the proper discharge of responsibilities by a Board suggest that a Board should deliberate collectively prior to taking actions in order to ensure that Board members have the opportunity for open discussion. Therefore, written consents should generally be used only when the Board has previously deliberated over an issue and is waiting for additional information to take action on such issue.

Actions by written consent also may require a higher standard of approval by the voting members than Board actions taken by meetings. For example, the Board could require unanimous approval by all voting members to be taken by written consent. The higher standard, while not required, is usually incorporated to take into account the lack of open discussion before the Board takes a decision and to ensure that Board members are not excluded from the written consent process.

I. Confidentiality. MCC encourages transparency with respect to Program implementation as part of the Compact requirements and the requirements of these guidelines; however, certain

documents, reports, data and other information relating to the Program should be treated by the Board as confidential information and handled in a reasonable and appropriate manner to avoid public disclosure. Confidential information includes information, documents and data relating to Accountable Entity personnel matters, conflicts of interest, procurement matters prior to final contract award, contract administration and such other data, documentation or information specified by the Accountable Entity and agreed with MCC. The Board should ensure that only those with a need to know and under similar obligations of confidentiality should have access to any and all of such confidential information, documents, data and other information provided to such party or otherwise generated in connection with the Program. The Board will ensure that each member of the Board, Stakeholders Committee, and Management Unit complies with the confidentiality obligations set forth in this Section 3.2(I). One method of ensuring this compliance may be to have each member of the Board, Stakeholders Committee, and Management Unit sign a confidentiality agreement along the lines of the form attached in Annex II. Notwithstanding the foregoing requirements on confidentiality, all such confidential documents, reports, data and other information may be provided to MCC, the Inspector General, the Government Accountability Office, or other independent auditors and investigatory bodies that may be designated by MCC.

- J. Conflicts of Interest. The Board will ensure that no Board member, employee, agent, member of the Stakeholders Committee, member of the Management Unit, or representative of the Accountable Entity shall participate in the selection, award, or administration of a contract, grant or other benefit or transaction financed in whole or in part by MCC Funding in which (1) such person, members of such person's immediate family or household or his or her business partners, or organizations controlled by or substantially involving such affiliate, has or have a financial or other interest, or (2) such person is negotiating or has any arrangement concerning prospective employment. In either case, the conflict of interest should first be disclosed in writing to the Accountable Entity and MCC and, following such disclosure, the Accountable Entity and MCC should agree in writing to proceed notwithstanding such conflict. The Board will also ensure that no Board member, employee, agent, member of the Stakeholders Committee, member of the Management Unit, or representative of the Accountable Entity solicits, accepts from, or offers to a third party or is promised directly or indirectly for himself or for another person or entity, any gift, gratuity, favor or benefit, other than items of *de minimis* value and otherwise consistent with such guidance as MCC may provide from time to time, or engages in any activity which is, or gives the appearance of being, a conflict of interest. As above, one method of ensuring compliance with this requirement may be to have each Board member, employee, agent, member of the Stakeholders Committee, member of the Management Unit, and representative of the Accountable Entity sign a conflicts of interest agreement along the lines of the form attached in Annex III.
- K. Committees. The Board may establish one or more committees to assist with the review and analysis of reports, documents and agreements requiring their review under the Compact and Section 3.2(E) of these guidelines. Committees may make recommendations to the Board and may be composed of voting and nonvoting members of the Board and such other persons that may have particular expertise necessary for the committee. For example, the Board may establish an audit committee to review audit findings and to make recommendations to the Board. It would be appropriate for such audit committee to be composed of Board members and non-Board members that have expertise in audits or financial matters. The Board may rely on information, opinions or reports produced by such committees; however, the members of the Board remain responsible for actually taking decisions based on the recommendations of the committees.
- L. Executive Committee. The Board should consider establishing an Executive Committee to take the actions authorized under the Compact or Governing Documents. All Board members will be entitled to receive the documents provided to the Executive Committee and to participate

as observers in the meetings of the Executive Committee upon request. The Board must review the actions of the Executive Committee for consistency with the Compact, the Governing Documents and overall Program implementation during regular meetings of the Board. The Executive Committee should be responsible for reviewing and approving agreements, documents and reports as are appropriate for the Program and agreed with MCC.

- (1) Composition. A majority of the Executive Committee will be voting members of the Board. The Executive Committee should include: (i) at least one non-Government voting member and (ii) the chief executive officer of the Management Unit.
- (2) Size. The Executive Committee should generally be a small number to facilitate efficient meetings.

3.3 Existing or New Government Affiliate as Accountable Entity with a Single Final authority

- A. Ministry as Accountable Entity. To the extent that the Government and MCC agree to utilize an existing or newly formed Government Affiliate as the Accountable Entity and a Board (as described in Section 3.2 of these guidelines) is not included in the governance structure, then the final authority for the Accountable Entity will rest with the relevant minister or senior most official responsible for the Government Affiliate. MCC will support such alternative implementation structures, if such structures can capture the same level of independence, transparency and efficiency contemplated by these guidelines.
- B. Review and Approval Requirements; Standard of Review.
 - (1) The designated final authority will be responsible for reviewing and approving the documents and agreements set forth above in Section 3.2(E).
 - (2) Standard of Review. It is appropriate and efficient for the designated final authority to review summaries of the documents, agreements and reports being presented to him or her for consideration or approval. However, the designated final authority should be made aware that reliance on such summaries does not relieve or excuse such final authority's responsibility for approving and taking action on the actual content of such document, agreement or report. Although efficiency in the administrative processes of the Accountable Entity is desirable, it should not be sought to the detriment of the accountability of the designated final authority. As provided in the Compact, the designated final authority remains responsible for the actions of the Accountable Entity and the Program.
- C. Transparency of Decisions. The designated final authority is charged with operating in a transparent manner. The most efficient way for the designated final authority to achieve transparency is to record its decisions and discussions in the written form of meeting minutes or resolutions. MCC requires that the designated final authority evidence the discharge of his or her duties, including periodically publishing the decisions of the designated final authority on the Accountable Entity's website, and providing evidence of certain approvals as conditions precedent for MCC disbursements.
- D. Confidentiality; Conflict of Interest. The designated final authority will abide by the confidentiality and conflict of interest rules set forth in Section 3.2(I) and (J) of these guidelines.

3.4 Advisory Council Structure, Composition and Duties

- A. Role of the Advisory Council. To the extent the Government and MCC agree to utilize a Government Affiliate as the Accountable Entity and the relevant minister or senior most official of such Government Affiliate and legal, political or other considerations prohibit such minister or relevant senior most official from waiving or delegating his or her constitutional decision-making authority to a Board established in accordance with Section 3.2 of these guidelines, MCC recommends that an Advisory Council be established to advise the relevant Government Affiliate acting as the Accountable Entity. In general, the Advisory Council should incorporate the principles of accountability and transparency otherwise required of the Board under these guidelines and should follow the standards set forth for a Board in Section 3.2.

The Advisory Council should actively participate in the governance and decision-making of the Accountable Entity by providing advice and making recommendations to the designated final authority acting on behalf of the Accountable Entity. Members of the Advisory Council should discharge their responsibilities by (i) staying informed and providing appropriate oversight to the Management Unit regarding the progress of Compact implementation, and (ii) holding regular meetings to take actions and approvals on behalf of the Accountable Entity as required under the Compact, the Governing Documents and the other relevant supplemental agreements.

- B. Composition. The composition of the Advisory Council should be dictated by the needs of the Program and should attempt to incorporate relevant Government ministries and departments, non-governmental organizations, the private sector and relevant civic actors. The Government should be represented by senior level officials who have the authority to act on behalf of the relevant ministry or department, as well as the capability to make the time commitment required of Advisory Council members. Representatives from NGOs, civil society, and the private sector should be chosen or elected for their representation of interest groups relating to the projects involved in the Program, as well as their availability to make the required time commitment. Representatives from NGOs, civil society, and the private sector should not be selected by the Government, but rather selected through a transparent process established by the Stakeholders Committee or relevant NGOs, civil society organizations, and private sector organizations, as agreed with MCC.
- C. Size. The Advisory Council should generally be no larger than eleven voting members and the number of voting members should be odd to prevent deadlock, unless otherwise agreed with MCC. Nonvoting members should include the MCC observer (having the same rights and responsibilities as outlined above with respect to the Observer to a Board) and such other nonvoting members as are appropriate for the Program. Nonvoting members should have the same rights of access to information relating to the Accountable Entity as voting members of the Advisory Council.
- D. Review of Agreements, Documents and Reports. The Advisory Council should be responsible for reviewing and providing recommendations to the designated minister or senior-most official making decisions on behalf of the Accountable Entity with respect to the documents, agreements, reports and actions reserved for the Board in Section 3.2 of these guidelines. The Advisory Council is responsible for making recommendations and providing general advice on implementation to the designated final authority acting on behalf of the Accountable Entity.
- E. Transparency of Advisory Council Meetings and Recommendations. In compliance with the requirements of the Compact and the Governing Documents, the Advisory Council is charged with operating in a transparent manner. The most efficient way for the Advisory Council to achieve transparency is to record its recommendations for decision by the designated final authority acting on behalf of the Accountable Entity and discussions in the written form of meeting minutes. The Advisory Council should document summaries of its meetings, including but

not limited to the following information for each meeting: names of all attendees at the meeting, agenda items discussed during the meeting and recommendations made by the Advisory Council at the meeting. MCC requires that the Advisory Board evidence the discharge of its duties, including publishing the minutes in English and the applicable local language of the Advisory Council meetings, either on the Accountable Entity's website or through other appropriate means, within two weeks, and providing evidence of certain approvals as conditions precedent for disbursement of MCC Funding.

- F. Confidentiality; Conflict of Interest. The Advisory Council will abide by the confidentiality and conflict of interest rules set forth in Section 3.2(I) and (J) of these guidelines.

3.5 Stakeholders Committee Structure, Composition and Duties

- A. Role of Stakeholders Committee. The Government should establish a Stakeholders Committee to continue the consultative process throughout Compact implementation. The stakeholders committee should be used as a mechanism for representatives of the private sector, civil society and local and regional governments to provide advice and input to the Accountable Entity regarding the implementation of the Program. If such a mechanism already exists, the Government may propose to use an existing structure to function as a Stakeholders Committee. Unlike the role of the Advisory Council described above in Section 3.4 of these guidelines, the Stakeholders Committee is intended to be used as a mechanism to inform the stakeholders regarding Program implementation, rather than to provide an opportunity for direct participation in the governance and decision-making of the Accountable Entity which is incorporated into the roles of the Board or Advisory Council.
- B. Size and Composition. The size and composition of the Stakeholders Committee should be dictated by the project areas of the Program and may be larger than the Board or Advisory Council; however, the membership of the Stakeholders Committee should at least reflect the NGOs, private sector, civil society, and local and regional governments that were consulted by the Government in developing its proposal for the Compact. Representatives from NGOs, civil society, and the private sector should be chosen or elected for their representation of interest groups relating to the projects involved in the Program as well as their availability to make the required time commitment. Representatives from NGOs, civil society, and the private sector should not be selected by the Government, but rather selected through a transparent process established by the Stakeholders Committee or relevant NGOs, civil society organizations, and private sector organizations, as agreed with MCC.
- C. Review of Agreements, Documents and Reports. At the request of the Board or Advisory Council, the Stakeholders Committee should be responsible for reviewing certain reports, agreements and documents, including the Implementation Documents, and providing recommendations to the Board or Advisory Council regarding the implementation of the Program. The Board or Advisory Council may exercise discretion in choosing which documents, agreements and reports to disclose to the Stakeholders Committee for its review, but should generally include all documents, agreements and reports except for those which may impede execution of the Program or violate confidentiality.
- D. Transparency of Stakeholders Committee Meetings and Recommendations. In compliance with the requirements of the Compact and the Governing Documents, the Stakeholders Committee should document summaries of its meetings, including but not limited to the following information for each meeting: names of all attendees at the meeting, agenda items discussed during the meeting and recommendations made by the Stakeholders Committee at the meeting.
- E. Confidentiality; Conflict of Interest. The Stakeholders Committee will abide by the confidentiality and conflict of interest rules set forth in Section 3.2(I) and (J) of these guidelines.

3.6 Management Unit Structure, Composition and Duties

- A. Role of the Management Unit. The Management Unit will assist the designated final authority acting on behalf of the Accountable Entity (that is, the Board or minister or senior most official designated to act on behalf of the Accountable Entity) in overseeing the implementation of the Program and should have the principal responsibility (subject to the direction and oversight of the Board or other designated final authority, and subject to MCC's rights of approval as set forth in the Compact and the related supplemental agreements) for the day-to-day management of the Program. The Management Unit members have a duty to follow the Accountable Entity's Governing Documents, to carry out the Accountable Entity's mission to implement the Compact and to ensure that MCC Funding is used only for permitted purposes.
- B. Size and Composition. The size and composition of the Management Unit should be dictated by the project areas of the Program; however, the Management Unit should be composed of qualified experts from the public or private sectors, including such officers and staff as may be necessary to carry out effectively its responsibilities including the Key Staff.
- C. Appointment. The Key Staff will be selected after an open and competitive recruitment and selection process, and appointed in accordance with the Governing Documents of the Accountable Entity. The appointment of Key Staff is subject to MCC approval. The process for selecting the Key Staff should commence as soon as possible and should be completed prior to entry into force of the Compact.
- D. Review and Approval Requirements. The Management Unit will assist the final authority in overseeing the implementation of the Program and should have the principal responsibility (subject to the direction and oversight of the decision-making body, and subject to MCC's rights of approval as set forth in the Compact and in any relevant supplemental agreement) for the overall management of the implementation of the Program, including:
- (1) Development and administration of (i) all components of the Implementation Documents, (ii) the audit plans and any response to any finding in any audit, (iii) staffing plans, and (iv) any amendments, modifications or supplements to any of the items in (i) - (iii);
 - (2) Oversight of the implementation of the projects, including preparation and submission of the requests for disbursement of MCC Funding;
 - (3) Coordination of the overall Program, each project, and the other activities contemplated under the Compact and any supplemental agreements;
 - (4) Management, implementation and coordination of the monitoring and evaluation of the Program and the projects (including collection and analysis of data);
 - (5) Development, oversight, management, coordination and implementation of such policies and procedures as may be necessary to facilitate the effective implementation of the Compact and such other policies, procedures, or activities as may be required or

requested by the decision-making body in furtherance of the Compact;

- (6) Preparation and review of reports regarding the finances and accounting (including management reporting, accounts receivable, accounts payable, monthly, quarterly and annual financial statements, cash flow statements and projected cash flow requirements), performance, monitoring and evaluation, procurements, budgets, and audit reports of the Program (including each project and the other activities contemplated under, or carried out in furtherance of, the Compact) and any other reports requested by the decision-making body;
- (7) Preparation and submission of all reports required by applicable local law;
- (8) Maintenance of accounting records for the Program, including for each project;
- (9) Acquisition and maintenance of a management information system to allow the systematic tracking of programmatic and financial implementation of and performance under the Compact, including each project;
- (10) Commission and supervision of baseline and ex-post studies for each Project as may be required by the M&E Plan; establishment of data collection, analysis, and reporting systems for the overall Program and for each project;
- (11) Conduct and oversight of procurements, and other procurement actions (including approvals thereof) as required under the Compact and the relevant supplemental agreement and the standards set forth in the Procurement Guidelines;
- (12) Administration of the Accountable Entity website to post current information about Compact-related activities, M&E Plan reporting, financial reporting, and Compact-related procurements;
- (13) Provision of advice and written recommendations to the decision-making body on matters constituting decision-making body actions and in connection therewith, the Management Unit should prepare and submit to the final authority the relevant agreements, documents or actions to be approved, along with a written recommendation to the decision-making body on how to proceed on such agreement, document or action and any other documents needed to support such recommendation;

- (14) Preparation of and submission to the decision-making body of any report required by MCC or any other report, document, agreement or action as may be designated or requested by the decision-making body from time to time, along with a written recommendation to the decision-making body on how to proceed;
 - (15) Provision of periodic reports to the decision-making body which should include a report on the Stakeholders Committee meeting that occurred during the period covered by such report, and how recommendations of the Stakeholders Committee have informed the activities of the Accountable Entity;
 - (16) Preparation and submission of documentation necessary to ensure the tax exemption of MCC Funding related to the Program; and
 - (17) Any other responsibilities within the scope of its Program implementation management role that may be required or requested from time to time by the decision-making body.
- E. Reporting. The chief executive officer, with the assistance of the Management Unit, will promptly deliver and certify any reports, documents or other submissions requested by or required to be delivered to the decision-making body or MCC. Any documents delivered to the final authority should be copied to MCC.
- F. Confidentiality; Conflict of Interest. The Management Unit will abide by the confidentiality and conflict of interest rules set forth in Section 3.2(I) and (J) of these guidelines.

3.7 Remuneration

- A. Overview. Compensation will be consistent with the detailed financial plan, as defined in the Compact or Program Implementation Agreement, as applicable.
- B. Remuneration of the Board or Advisory Council.
- (1) The Accountable Entity is prohibited from paying remuneration to Board or Advisory Council members with MCC Funding, except for reasonable expenses arising from their attendance at regular or special meetings so long as such reimbursements are consistent with the Compact, the Program Implementation Agreement (if applicable), MCC's cost principles governing the Accountable Entity, the fiscal accountability plan and the detailed budget for the Program.
 - (2) The Accountable Entity and the Government are prohibited from paying remuneration to Government members of the Board or Advisory Council from Government sources of funding.
 - (3) The Accountable Entity is permitted to pay remuneration from Government sources of funding to non-Government members of the Board or Advisory Council in connection with the performance of their duties. Such remuneration for actual services rendered as members of the Board or Advisory Council will not exceed the highest daily rate of salary and benefits of a Government minister or the equivalent of 90 days pay in any annual

period of the Accountable Entity based on the relevant rate. MCC reserves the right to review the level of remuneration to be paid to non-Government members of the Board or Advisory Council. Any remuneration paid from Government sources of funding must be disclosed in the detailed budget as part of the Government contribution to the Program.

- C. Remuneration of the Stakeholders Committee. Members of the Stakeholders Committee will not receive any remuneration in connection with the performance of their duties. The Accountable Entity may reimburse members of the Stakeholders Committee for reasonable expenses arising from their attendance at regular or special meetings so long as such reimbursements are consistent with the Compact, the Program Implementation Agreement (if applicable) and the detailed budget for the Program.
- D. Remuneration of the Management Unit.
- (1) Remuneration includes, but is not limited to, salaries, benefits (pensions, health, disability, unemployment, severance, etc.), holidays and leave, transportation or food allowances (in cash or in kind), bonuses (e.g. annual, Christmas, 13th month, etc.) and overtime.
 - (2) An Accountable Entity that is an existing unit or department within the Government generally should pay members of the Management Unit in accordance with the compensation level and benefits paid to Government employees of comparable rank, in accordance with the existing established Government law, regulations or policy. MCC Funding may only be used to compensate the additional or new staff positions or additional time of current Government staff positions needed to accomplish the purposes of the Program. MCC Funding may not be used to fund existing Government staff positions already funded through Government appropriations prior to the Compact.
 - (3) If the Accountable Entity is established as a new unit or department within the Government structure with special rights or a new Government Affiliate outside the existing Government structure, the Accountable Entity generally should pay members of the Management Unit at compensation levels and benefits comparable to those paid by other donor organizations or the private sector to individuals of comparable rank and qualifications doing comparable work. Comparability will be established by the use of salary surveys conducted within the country by the private sector or other donors.

4.0 Insurance

- A. Overview. The Accountable Entity should insure or cause to be insured all Program Assets to the extent such insurance is appropriate for the Program and commercially available, unless otherwise agreed with MCC. The Accountable Entity should obtain or cause to be obtained such other appropriate insurance and other protections to cover against risks or liabilities associated with the operations of the Program, including by requiring implementing entities and contractors that receive a substantial amount of MCC Funding to obtain adequate insurance and post adequate performance bonds or other guarantees.
- B. Use of insurance proceeds. The Government and the Accountable Entity should ensure that any proceeds from claims paid under such insurance or any other form of guarantee will be used to replace or repair any loss of Program Assets or to pursue the procurement of the covered goods, services, works, or as otherwise instructed by MCC.

5.0 Implementation Structural Components

- A. Relationship with the Fiscal Agent. The Accountable Entity should engage a Fiscal Agent through an international competitive process, engage the Ministry of Finance, or engage another governmental entity as agreed with MCC, to perform certain financial management activities on behalf of the Accountable Entity. The Accountable Entity should enter into an agreement with the Fiscal Agent, setting forth the roles and responsibilities of such Fiscal Agent and other appropriate terms and conditions (including the payment of the Fiscal Agent, if any). The Fiscal Agent is responsible for the following activities, among other things:
- (1) Assisting in preparing the fiscal accountability plan, which specifies the fiscal management and procurement related controls to be followed by the Accountable Entity in utilizing MCC Funding;
 - (2) Ensuring and certifying that payments of MCC Funding are properly authorized and documented in accordance with established control procedures set forth in the Disbursement Agreement or the Program Implementation Agreement, the fiscal agent agreement, fiscal accountability plan and other relevant supplemental agreements;
 - (3) Release of payments of MCC Funding from any Permitted Accounts;
 - (4) Cash management and account reconciliation of any Permitted Accounts, including reconciling each Permitted Account to the Accountable Entity's automated accounting system and reconciling such automated accounting system to the CPS accounting records and MCC's accounting records;
 - (5) Providing applicable certifications for requests for disbursements of MCC Funding;
 - (6) Maintaining and retaining proper accounting, records and document disaster recovery system of all MCC-funded financial transactions and certain other accounting functions;
 - (7) Producing reports on disbursements of MCC Funding and re-disbursements thereof in accordance with established procedures set forth in the Disbursement Agreement, the Program Implementation Agreement, the fiscal agent agreement, the fiscal accountability plan, or any other supplemental agreements;
 - (8) Assisting in the preparation of budget development procedures; and
 - (9) Internal management of the Fiscal Agent operations.
- B. Relationship with the Procurement Agent(s). The Accountable Entity should engage a Procurement Agent(s) through an international competitive process or utilize the procurement functions of existing Government ministries or agencies, as agreed with MCC, to carry out and certify specified procurement activities in furtherance of the Compact on behalf of the Accountable Entity. Any procurement agent engaged by the Accountable Entity will be responsible for adhering to the procurement standards set forth in the Compact, the Disbursement Agreement, the Program Implementation Agreement, and the Procurement Guidelines and ensure procurements are consistent with the procurement plan adopted by the Accountable Entity. The Accountable Entity should enter into an agreement with each Procurement Agent, setting forth the roles and responsibilities of such Procurement Agent and other appropriate terms and conditions (including the payment of the Procurement Agent, if any).
- C. Relationship with Implementing Entities. Subject to the terms and conditions of the Compact and the Program Implementation Agreement (if applicable), the Accountable Entity may engage

one or more Government Affiliates to implement and carry out any project, project activity (or a component thereof) or any other activities to be carried out in furtherance of the Compact. The Accountable Entity should enter into an agreement with each Implementing Entity, setting forth the roles and responsibilities of such Implementing Entity and other appropriate terms and conditions (including the payment of the Implementing Entity, if any).

6.0 Amendment. These guidelines may be modified or amended from time to time at the discretion of MCC and supersede any previous guidelines on this subject matter. The original version of these guidelines became effective on March 2, 2007. This version shall replace such original version in its entirety.

7.0 Effectiveness. These guidelines are effective on the date indicated below.

Vice President for Compact Development

Vice President for Compact Implementation

Effective Date:

ANNEX I TO MCC GUIDELINES FOR ACCOUNTABLE ENTITIES AND IMPLEMENTATION STRUCTURES

The following charts describe the implementation structures (including the Accountable Entity, Fiscal Agent and Procurement Agent, if any) for each MCC country with which MCC has signed a Compact.

Armenia
Millennium Challenge Account- Armenia (MCA-Armenia)
Proposal Date: March 25, 2005
Compact Signed: March 27, 2006
Entry into Force: September 29, 2006

Armenia	
Legal Structure	Millennium Challenge Armenia State Non-Commercial Organization (MCA-Armenia) was established as a state non-commercial organization by the Government of the Republic of Armenia, acting through the Prime Minister's office.
Board Composition	<p>Governing Council</p> <ul style="list-style-type: none"> ▪ Twelve (12) Voting Members <ul style="list-style-type: none"> (i) Prime Minister (ii) Chief Economic Advisor to the President (iii) Minister of Finance (iv) Minister of Economy (v) Minister of Transport and Communication (vi) Minister of Agriculture (vii) Minister of Territorial Administration (viii) Five (5) civil society members ▪ Two (2) Non-Voting Observers: <ul style="list-style-type: none"> (i) MCC Observer (ii) Environmentally-oriented NGOP appointed by the Stakeholder's Committee (not applicable if one of the chosen five civil society members is already an Environmentally-oriented NGOP) ▪ Chair of Governing Council: The Prime Minister shall initially fill the seat of Chair. The initial Chairman and each subsequent Chairman so chosen shall serve for a term of one year. The Minister of Economy is the Principal Representative under the Compact. ▪ Terms of Voting Members: No terms for Government Members. Voting Members shall be appointed by the Prime Minister and may be replaced by another Government official of comparable rank from a ministry or other Government body relevant to the Program activities subject to approval by the Government and MCC. ▪ Each civil society member shall be appointed by the Stakeholder's Committee for one year term but may be reappointed for one or more additional one year terms.
Management Unit	<ul style="list-style-type: none"> (i) Chief Executive Officer (ii) Chief Financial Officer (iii) Monitoring and Evaluation Officer (iv) Environment and Social Impact Officer (v) Rural Roads Project Officer (vi) Irrigation Project Officer (vii) Water-To-Market Project Officer (viii) Procurement Officer (ix) General Counsel/Deputy CEO
Stakeholders Committee	<p>Fifteen (15) members</p> <p>The Stakeholders Committee was established through a participatory process overseen by the Government of Armenia. NGOs, water user associations, farmer groups and representatives from the private sector took part in forums which resulted in the election of members to the committee. The current members represent a broad spectrum of the Program stakeholders.</p>
Fiscal Agent	GFA

Armenia	
Procurement Agent	<ul style="list-style-type: none">▪ No external procurement agent▪ MCA-Armenia has an in-house procurement officer who works with procurement officers/specialists in the following entities:<ul style="list-style-type: none">(i) Rural Road Network Project: Armenian Roads Directorate (ARD)(ii) Irrigated Agriculture Project: World Bank Irrigation Project Implementation Unit(iii) Water-to-Market Sub-Activity of the Irrigated Agriculture Project- to be contracted out to a private firm or NGO

Benin
Accountable Entity: MCA-Benin
Proposed: September 5, 2005
Signed: February 22, 2006
Entry into Force: October 6, 2006

Benin	
Legal Structure	<ul style="list-style-type: none"> ▪ MCA Benin was established on August 8, 2007 pursuant to Decree N°2007-376.
Board Composition	<p>Board of Directors</p> <ul style="list-style-type: none"> ▪ Fourteen (14) Voting Members: <ul style="list-style-type: none"> (i) Chief of Staff of the Office of the Presidency of the Republic of Benin (ii) Chief of Staff of the Ministry of Economy (iii) Chief of Staff of the Ministry of Finance (iv) Chief of Staff of the Ministry of Agriculture (v) Chief of Staff of the Ministry of Public Works and Transportation (vi) Chief of Staff of the Ministry of Justice (vii) Chief of Staff of the Ministry of Environment, Housing, and Urban Planning (viii) Chief of Staff of the Ministry of Land Reform (ix) Chief of Staff of the Ministry of Microfinance (x) Representative from Civil Society (selected following an assembly of nongovernmental organizations) (xi) President of the Chamber of Commerce and Industry (xii) The Chairman of the Chamber of Agriculture (xiii) Representative from the Mayors' Council (which shall be the public official holding the relevant office as such office is held after a national assembly of all the mayors in Benin) (xiv) A member of the Board of the National Assembly as designated by the National Assembly. ▪ Non-Voting Observers: <ul style="list-style-type: none"> (i) MCC Observer (ii) A representative from the Advisory council (iii) Representatives-elect for Civil Members (defined below), who will be non-voting observers for a one-year period ▪ Terms of Voting Members: No terms. Each Government Member position shall be filled by the individual, during the Compact Term, holding the office identified and such individuals shall serve in their capacity as the applicable Government official and not in their personal capacity, in the event that such individual is unable to participate in a meeting of the Board such member's principal deputy may participate in the member's stead. ▪ Terms of Civil Members: Each civil member position shall be filled by the individual, during the Compact Term, holding the office or position identified in, or selected pursuant to, Section 3(d)(ii)(2)(A)(viii) – (xi) and such individuals shall serve in their capacity as the incumbent in such office or position and not in their personal capacity. <ul style="list-style-type: none"> ○ The civil member identified in section 3(d)(ii)(2)(A)(vii) shall service in their personal capacity. ○ The term of each Civil member's appointment to the board shall be 30 months; other than the Civil member identified in Section 3(d)(2)(ii)(A)(viii) and (ix) which position shall be filled by the individual holding such position during the Compact Term ▪ Chair: Chief of Staff of the Office of the Presidency shall initially fill the seat of the Chair.

Benin	
Management Unit	<ul style="list-style-type: none"> (i) National Coordinator who reports directly to Board (shall be selected by the Board and hired after open and competitive recruitment and selection process, initially appointed by MCA-Benin for not longer than six months) (ii) Administration and Finance Director (iii) Monitoring and Evaluation Director (iv) Land Project Director, Financial Services Project Director, Justice project Director and markets Project Director (each a, "Project Director") (v) Financial Services Project Division (vi) Environmental and Social Assessment Director (vii) Legal Counsel (viii) Procurement Director
Stakeholders Committee	<p>Advisory Council Eight (8) Members:</p> <ul style="list-style-type: none"> (i) A representative from the Ministry of Foreign Affairs and African Integration (ii) A representative from the Ministry of Industry and Commerce (iii) A representative from the Ministry of Interior, Security and Decentralization (iv) A representative from the Ministry of Justice (v) A representative from the Private Sector (selected following a national assembly of the private sector) (vi) A representative from the labor unions (selected following a national assembly of the labor unions) (vii) A representative from the regional organizations (selected following a national assembly of the regional organizations) (viii) A representative from the National Artisan Federation (selected following a national assembly of the National Artisan Federation) <p>▪ Terms of Advisory Council: No terms. Each position shall be filled by the individual during the Compact Term holding the office identified and such individuals shall serve in their capacity as the applicable Government official, not in their personal capacity.</p>
Fiscal Agent	The Louis Berger Group, Inc.
Procurement Agent	The Louis Berger Group, Inc.

Cape Verde
Millennium Challenge Account- Cape Verde (MCA-Cape Verde)
Proposal Date: August 10, 2004
Compact Signed: July 4, 2005
Entry into Force: October 17, 2005

Cape Verde	
Legal Structure	MCA- Cape Verde was established as an independent administrative structure within the Ministry of Finance pursuant to Decree No. 24/2005 of July 4, 2005 of the General Secretariat of the Government.
Board Composition	<p>Steering Committee</p> <ul style="list-style-type: none"> ▪ Nine (9) to 11 Voting Members: <ul style="list-style-type: none"> (i) Minister of Finance and Public Administration (ii) Minister of State Infrastructure, Transport and Sea (iii) Minister of Economy, Growth, and Competitiveness (iv) Minister of Environment and Agriculture (v) Chief Advisor to the Prime Minister (vi) The President of the National Municipalities Association (vii) The President of the Sotavento Chamber of Commerce (viii) The President of the Barlavento Chamber of Commerce and Agriculture (ix) The President of the Non-Governmental Organization Association (x) General Director of International Cooperation ▪ Five (5) Non-Voting Observers: <ul style="list-style-type: none"> (i) MCC Observer (ii) Four (4) civil society representatives ▪ Chair of Steering Committee: Minister of Finance and Public Administration shall initially fill the seat of Chair, "President." ▪ Terms of Voting Members: No Terms. Each Government Member shall serve in his or her capacity as a Government official. If a person serving as a Government Steering Committee Member resigns or is removed from such Government office, that person's position on the Steering Committee will be taken by such person's successor in such Government capacity.
Management Unit	<ul style="list-style-type: none"> (i) Managing Director (ii) Administration and Finance Director (iii) Senior Economist (iv) Monitoring and Evaluation Analyst, and Monitoring and Evaluation Assistant (v) Watershed Management and Agricultural Support Manager, Roads Manager, Port Manager, and a Private Sector Development Manager (vi) Environmental and Social Assessment Manager (vii) Procurement Manager (viii) Procurement Specialist, Procurement Assistant, Procurement Secretary, Translator, Executive Secretary, Receptionist, and an Administrative and Financial Assistant

Cape Verde	
Stakeholders Committee	<ul style="list-style-type: none"> ♦ At least eight (and no more than 12) members, comprised of the following individuals: <ul style="list-style-type: none"> (i) Director of the Office of Studies of the Ministry of Finance and Planning (ii) One (1) representative nominated by the Regional Stakeholders Committees (iii) Two (2) representatives from micro-credit non-governmental organizations (iv) Two (2) representatives from the private sector (one from the tourism sector and one from the transportation sector), selected by trade associations from those sectors (v) Two (2) prominent businesspersons appointed by the Prime Minister from a list of individuals recommended by the private sector, including the Chambers of Commerce
Fiscal Agent	The Ministry of Finance and Public Administration of the Republic of Cape Verde (Department of Treasury)
Procurement Agent	<p><u>Procurement Agent</u>: None.</p> <p>Procurement and contract management by MCA-Cape Verde will be conducted under the broad oversight and authority of the Steering Committee, through the Procurement Review Commission (PRC) which will supervise procurement operations of the Management Unit, as set forth in the Procurement Agreement and the PRC Charter.</p>

El Salvador
Millennium Challenge Account-El Salvador (Fondo del Milenio, or FOMILENIO)
Proposal Date: December 2005
Compact Signed: November 29, 2006
Entry into Force: September 20, 2007

El Salvador	
Legal Structure	<ul style="list-style-type: none"> ▪ MCA-El Salvador, named FONDO DEL MILENIO (“FOMILENIO”), was established as an autonomous public entity pursuant to Legislative Decree 189 dated January 4, 2007.
Board Composition	<p>Board of Directors</p> <p>Seven (7) to eleven (11) Voting Members:</p> <ul style="list-style-type: none"> (i) Technical Secretary of the Presidency of the Republic of El Salvador (ii) Minister of Finance (iii) The Minister of Foreign Affairs. (iv) The Minister of Agriculture (v) One (1) member of the private sector. (vi) Two (2) members representatives of NGOs. <p>▪ Two (2) Non-Voting Observers:</p> <ul style="list-style-type: none"> (i) One (1) MCC Observer (ii) The Minister of Environmental and Natural resources <p>▪ Chairman of the Board: Appointed from one of the four government members as provided in applicable regulations, initially filled by Technical Secretary of the Presidency.</p> <p>▪ Terms of Voting Members: No term for Government Members. Each Government Member position shall be filled by the individual then holding the office identified and such individuals shall serve in their capacity as the applicable Government official and not in their personal capacity. Civil Members serve terms of 2 years.</p>
Management Unit	<ul style="list-style-type: none"> (i) Executive Director (ii) Deputy Executive Director (iii) Internal Auditor (iv) Legal Council (v) Administrative Director (vi) Director of Technology and Information (vii) Director of Program Implementation (viii) Coordinator of Human Development Component (ix) Coordinator of Productive Development Component (x) Coordinator of Connectivity Development Component (xi) Director of the Procurement Program (xii) Director of Monitoring and Evaluation (xiii) Financial and Administrative Director (xiv) Director of Environment and Social Impact (xv) Director of Communications.
Advisory Council	<p>The Advisory Council by the following members:</p> <p>5 representatives of CND</p> <p>3 members of the Northern Zone mayoral council</p> <p>1 representative of Northern Zone civil society</p> <p>The composition of the Advisory Council may be adjusted by agreement of the Parties from time to time to ensure an adequate representation of the intended beneficiaries of the Program.</p>
Fiscal Agent	FOMILENIO’s Financial Management Units (“UFI”)
Procurement Agent	Procurement Agent is Charles Kendall & Partners LTD.

Georgia
Millennium Challenge Georgia Fund (MCA-Georgia)
Proposal Date: September 24, 2004
Compact Signed: September 12, 2005
Entry into Force: April 7, 2006

Georgia	
Legal Structure	Millennium Challenge Georgia Fund was established as a public legal entity under Georgian law, established pursuant to Presidential Decree No. 561, dated December 3, 2004 (“MCA-Georgia”)
Board Composition	<p>Supervisory Board</p> <ul style="list-style-type: none"> ▪ Eleven (11) Voting Members: <ul style="list-style-type: none"> (i) Three (3) members of the executive branch of Government representing Ministries of the Government (one of whom shall be the Prime Minister); (ii) One (1) member who shall be the head of the President’s administration (together with the three members listed in (i) above, the “Government Board Members”); (iii) Two (2) members of Parliament (“Parliament Board Member”); (iv) One (1) representative of a civil society organization; and (v) One (1) representative from the business sector. ▪ Two (2) Non-Voting Observers: <ul style="list-style-type: none"> (i) MCC Observer (ii) One (1) representative of civil society nominated by the Stakeholders’ Committee (the “Civil Observer”). <p>The CEO of MCA-Georgia shall serve as an ex-officio member of the Supervisory Board.</p> ▪ Chair of Supervisory Board: The Prime Minister shall serve as the initial Chairman. Each subsequent Chairman shall be a Voting Member chosen by the Voting Members, and shall be subject to the prior written approval of MCC. The initial Chairman and each subsequent Chairman so chosen shall serve for a term of two years. ▪ Terms of Voting Members: Parliament Board Members and Government Board Members shall serve a two year term that can be renewed. Voting Members shall be appointed by the Cabinet of Ministers of the Government, acting upon the nomination of the Prime Minister, and may be replaced by another Government official of comparable rank from a ministry or other Government body relevant to the Program activities subject to approval by the Government and MCC.
Management Unit	<ul style="list-style-type: none"> (i) Chief Executive Officer (ii) Deputy CEO (iii) Chief Financial Officer (iv) Monitoring and Evaluation Program Director (v) Environment and Social Program Director (vi) Procurement Director (vii) Public Outreach Program Director (viii) General Counsel (ix) Five (5) Project Directors

Georgia	
Stakeholders Committee	<p>At least eight members:</p> <ul style="list-style-type: none"> (i) Three (3) representatives of civil society (one of whom shall come from an organization in the Samtske-Javakheti region, and one of whom shall come from an environmental organization), each identified through the selection process described in Section 3.1(c); (ii) The head of the Agrarian Committee of the Parliament of Georgia; (iii) The head of the Road Department of the Ministry of Economic Development of Georgia; (iv) The First Deputy Minister of the Ministry of the Environment of Georgia; and (v) Two (2) senior representatives of the business community, one of whom shall have experience in agribusiness and one of whom shall have experience in the financial sector.
Fiscal Agent	GFA
Procurement Agent	MCA-Georgia Internal procurement agent

Ghana**Accountable Entity: MiDA****Proposed: October 28, 2005****Signed: August 01, 2006****Entry into Force: February 16, 2007**

Ghana	
Legal Structure	<ul style="list-style-type: none"> ▪ Millennium Development Authority (MiDA) was established as a public entity pursuant to the Millennium Development Authority Act, 2006: enacted by the President and Parliament: Act 702
Board Composition	<p>Board of Directors</p> <ul style="list-style-type: none"> ▪ Nine (9) Voting Members: <ul style="list-style-type: none"> (i) Mr. Edward Boateng, Global Media Alliance, chair (ii) The Minister, or any other government official of the rank of director or higher from the Ministry of Food and Agriculture, initially to be the Minister of Food and Agriculture (iii) The Minister, or any other official of the rank of director or higher, from the Ministry of Trade, Industry, Private Sector and Presidential Special Initiatives, initially to be the Minister of Trade, Industry, Private Sector and Presidential Special Initiatives (iv) The Minister or any other official of the rank of director or higher, from the Ministry of Local Government, Rural Development and Environment, initially to be the Minister of Local Government, Rural Development and Environment. (v) The Minister, or any other official of the rank of director or higher, from the Ministry of Finance and Economic planning, initially to be the Minister of Finance and Economic Planning (vi) The Minister, or any other official of the rank of director or higher, from the Ministry of Transportation, initially to be the Minister of Transportation (vii) The CEO (viii) Two (2) representatives, each selected by the Private Enterprise Foundation and (ix) A representative, selected by the Ghana Association of Private Voluntary Organizations in Development ▪ Four (4) Non-Voting Observers <ul style="list-style-type: none"> (i) MCC Observer (ii) Three (3) representatives, each elected by lot by the district assemblies within each Intervention Zone. ▪ Chairman of the Board: appointed, Mr. Edward Boateng, Global Media Alliance ▪ Terms of Voting Members: No terms. Each Government member may be replaced by another government official, subject to approval by the Government and MCC; each Government Member position shall be filled by the individual then holding the office identified and such individuals shall serve in their capacity as the applicable Government official and not in their personal capacity. ▪ Other Information: Board shall invite a representative selected by the registered NGOs representing the environmental community (the “eNGO Invitee”) to all meetings of the Board

Ghana	
Management Unit	<ul style="list-style-type: none"> (i) CEO (ii) Internal Auditor (iii) Legal Counsel (iv) Director of the Agricultural Transformation Program (v) Director of Procurement (vi) Director of Monitoring and Evaluation (vii) Director of Finance and Administration (viii) Director of Environmental and Social Impact (ix) Director of Community and Public Outreach (x) Commercialization of Agriculture Project Manager (xi) Community Services Project Manager (xii) Transportation and Agricultural Infrastructure Project Manager (xiii) Land Administration Project Manager (each of whom shall report to the Director of Agricultural Transformation Program) (xiv) Agricultural Financial Services and Bank Capacity Building Manager (who shall report to the Commercialization of Agriculture Project Manager)
Stakeholders Committee	<ul style="list-style-type: none"> ▪ Three (3) Zonal Advisory Committees (ZAC): purpose of ZAC is to provide representatives of private sector, civil society and local and regional government the opportunity to provide input to MiDA regarding implementation of Compact. <ul style="list-style-type: none"> (i) Northern Intervention Zone (ii) Afram Basin Intervention Zone (iii) Southern Intervention Zone ▪ Composition of ZAC: <ul style="list-style-type: none"> (i) A district planning officer from each district within the applicable Intervention Zone (ii) A district director of agriculture from each district within the applicable Intervention Zone (iii) A district chief executive from each district within the applicable Intervention Zone (iv) An elected representative from each district assembly from the applicable Intervention Zone (v) A regional environmental officer from each region within the applicable Intervention Zone <p>Term: Each Government member position shall be filled by the individual, during the Compact Term, holding the office identified and such individual shall serve in this capacity as the applicable Government official and not in his personal capacity.</p>
Fiscal Agent	Charles Kendall & Partners Limited
Procurement Agent	Charles Kendall & Partners Limited

Honduras
Accountable Entity: MCA-Honduras
Proposed: August 20, 2004
Signed: June 13, 2006
Entry into Force: September 29, 2005

Honduras	
Legal Structure	<ul style="list-style-type: none"> ▪ MCA-Honduras has been established as an independent statutory corporation pursuant to Legislative Decree 233-2005, after Compact ratification and enactment of legislation creating MCA-Honduras.
Board Composition	<p>Board of Directors</p> <p>Five (5) Voting Members:</p> <ul style="list-style-type: none"> (i) Secretary of State of the Office of the Presidency of Honduras (ii) Secretary of State of the Office of Finances of Honduras (iii) The Secretary of State of the Office of Industry and Commerce (iv) Two (2) Civil Observers (each a “Civil Board Member”). <p>▪ Nine (9) Non-Voting Observers:</p> <ul style="list-style-type: none"> (i) One (1) MCC Observer (ii) One (1) representative (each a “Government Observer”) appointed by each of the following Ministries: <ul style="list-style-type: none"> ○ The Secretary of State (SoS) of the Office of Agriculture and Livestock (“SAG”) ○ The SoS of the Office of Public Works, Transportation and Housing (“SOPTRAVI”) ○ Minister of the Honduran Social Investment Fund (“FHIS”) and ○ SoS of the Office of Natural Resources and Environment (i) One (1) representative (each a “Civil Observer”) appointed by each of the following Honduran civil society organizations: <ul style="list-style-type: none"> ○ National Anticorruption Council (Consejo Nacional Anticorrupción – CAN); ○ National Convergence Forum (Foro Nacional de Convergencia – FNC) ○ Poverty Reduction Strategy Consultative Council (Consejo Consultivo de la Estrategia de la Reducción de Pobreza – CCERP); ○ Honduran Council for Private Enterprise (Consejo Hondurano de la Empresa Privada – COHEP) and ○ Such other organizations to which the parties mutually agree <p>▪ Chairman of the Board: appointed from one of five voting members as provided in applicable law and Governance regulations, initially filled by Secretary of State of the Office of the Presidency</p> <p>▪ Terms of Voting Members: No term for Government Members. Each Government Member position shall be filled by the individual then holding the office identified and such individuals shall serve in their capacity as the applicable Government official and not in their personal capacity. Civil Members serve terms of 15 months.</p>
Management Unit	<ul style="list-style-type: none"> (i) General Director (ii) Administration and Finance Director (iii) Monitoring and Evaluation Director (iv) Environmental and Social Impact Director (v) Rural Development Project Director (vi) Transportation Project Director (vii) General Counsel (viii) Procurement Director

Honduras	
Stakeholders Committee	N/A
Fiscal Agent	Ministry of Finance of the Republic of Honduras (“SEFIN”)
Procurement Agent	Procurement Agent for the Transport Project is Louis Berger MCA-Honduras manages all other procurements under the supervision and oversight of Crown Agents Consultancy

Madagascar
Millennium Challenge Corporation- Madagascar
Proposed: October 4, 2004
Compact Signed: April 18, 2005
Entry into Force: July 27, 2005

Madagascar	
Legal Structure	MCA-Madagascar has been established as an independent administrative structure within the office of the Presidency, pursuant to Decree No. 2005.
Board Composition	<p>Steering Committee</p> <ul style="list-style-type: none"> ▪ Seven (7) Voting Members: <ul style="list-style-type: none"> (i) The Minister of Land Reform, State Property and City Development (ii) The Minister of Finance and Budget (iii) The Minister of Economy, Commerce and Industry (iv) The Minister of Agriculture, Livestock and Fisheries (v) Three representatives of the Advisory Council (nominated to serve two year terms by the Advisory Council and any vacancy to be filled by nomination by the Advisory Council. ▪ Three (3) Non-Voting Observers: <ul style="list-style-type: none"> (i) MCC Observer (ii) Two Advisory Council representatives-elect who will be non-voting observers during the one-year period prior to the beginning of their respective terms. ▪ Each Government Voting Member position shall be filled by the individual then holding the office identified, who shall serve as long as he/she remains in such office. ▪ The Steering Committee shall elect a Chairman from among its Voting Members to serve a two-year renewable term. ▪ Advisory Council members shall serve for a term of two years, renewable by majority vote of the Advisory Council.
Management Unit	<ul style="list-style-type: none"> (i) Managing director (ii) Deputy managing director (iii) Manager of monitoring and evaluation (iv) Manager of procurement (v) Manager of administration and finance (vi) Manager of Land Tenure Project, a manager of Finance Project, and a manager of Agricultural Business Investment Project
Stakeholders Committee	<p>Advisory Council</p> <ul style="list-style-type: none"> ▪ No more than 12 members, unless otherwise agreed by the Parties, and comprised of: <ul style="list-style-type: none"> (i) One or more representatives of the private sector (e. association of banks, micro finance association farmers ' association) (ii) One or more representatives of civil society (e. women's association chambers of commerce, anti-corruption association, environmental organization) (iii) One or more representatives of mayors within the Zones (iv) One or more representatives of regional governments of the Zones.
Fiscal Agent	GFA Consulting Group and Charles Kendall & Partners
Procurement Agent	GFA Consulting Group and Charles Kendall & Partners

Mali
Accountable Entity: MCA-Mali
Proposed: January 2006
Signed: November 13, 2006
Entry into Force: September 17, 2007

Mali	
Legal Structure	The Accountable Entity, MCA-Mali, is a <i>service rattaché</i> attached to the Presidency of the Republic of Mali.
Board Composition	<p>Board of Directors</p> <ul style="list-style-type: none"> ▪ Eleven (11) Voting Members: <ul style="list-style-type: none"> (i) Representative from the President’s Office, appointed as the chair (“Chair”) as provided in the Governing Documents; (ii) Representative from the Ministry responsible for transportation; (iii) Representative from the Ministry responsible for finance; (iv) Representative from the Ministry responsible for Economy; (v) Representative from the Ministry responsible for agriculture; (vi) Representative from the Ministry responsible for territorial administration; (vii) Representative from the National Committee for Business Owners; (viii) Representative from the Chamber of Commerce and Industry; (ix) Representative from the Chamber of Agriculture; (x) Representative from civil society organizations representing youth, selected by the relevant national NGOs and civil society organizations and based on selection criteria agreed upon by the Parties; and (xi) Representative from civil society organizations representing women, selected by the relevant national NGOs and civil society organizations and based on selection criteria agreed upon by the Parties. • Non-Voting Observers: <ul style="list-style-type: none"> (i) A representative designated by MCC (the “MCC Representative”); and (ii) A representative of environmental NGOs, selected by the relevant national NGOs and civil society organizations and based on selection criteria agreed upon by the Parties. • Terms of Voting Members: Each Government Member position (other than the Chair) shall be filled by the individual, during the Compact Term, holding the office identified and all Government Members (including the Chair) shall serve in their capacity as the applicable Government officials and not in their personal capacity. ▪ Terms of Civil Members: Each Civil Member shall serve for the Compact term.
Management Unit	<ul style="list-style-type: none"> (i) Director General; (ii) Director of Finance and Administration; (iii) Legal Adviser; (iv) Director of Procurement; (v) Director of Environmental and Social Assessment; (vi) Director of Monitoring and Evaluation; (vii) Director of Airport Improvement Project; (viii) Director of Alatona Irrigation Project.

Mali	
Stakeholders Committee	<p>Advisory Council</p> <p>(1) an advisory council to the Board representing the beneficiaries of the Airport Improvement Project (“Airport Project Advisory Council”); and</p> <p>(2) an advisory council to the Board representing the beneficiaries of the Alatona Irrigation Project (the “Alatona Zone Advisory Council,” and, together with the Airport Project Advisory Council, the “Advisory Councils” and each an “Advisory Council”), which Advisory Councils shall be independent of MCA-Mali and shall be established to the satisfaction of MCC.</p> <p>Each Advisory Council shall consist of no more than fifteen (15) voting members and shall be composed of representatives of relevant banking organizations, microfinance institutions, farmer associations, women’s associations, chambers of commerce, local government, anti-corruption associations and environmental and social organizations (“Civil Society Stakeholders”).</p>
Fiscal Agent	Emerging Markets Group, Ltd.
Procurement Agent	The Louis Berger Group, Ltd.

Mongolia
Millennium Challenge Corporation- Mongolia
Proposed: October 4, 2005
Compact Signed: October 22, 2007
Entry into Force: September 20, 2008

Mongolia	
Legal Structure	MCA-Mongolia has been established under the Compact as a corporation under an international agreement after Compact ratification.
Board Composition	<p>Board of Directors</p> <ul style="list-style-type: none"> ▪ Nine (9) Voting Members: <ul style="list-style-type: none"> (i) Prime Minister, as Chairman of the Board; (ii) Minister of Finance; (iii) Minister of Roads, Transportation and Tourism; (iv) Minister of Education, Culture and Science; (v) Minister of Health; (vi) Minister of Construction and Urban Development; (vii) one representative selected by the private sector; and (viii) two representatives selected by civil society. ▪ Nine (9) Non-Voting Observers: <ul style="list-style-type: none"> (i) MCC Observer (ii) MCA-Mongolia Chief Executive Officer; (iii) MCA-Mongolia General Counsel, as Secretary of the Board; (iv) State Secretary from Ministry of Social Welfare & Labour; (v) State Secretary from Ministry of Food and Agriculture; (vi) one representative selected from the private sector who will be, after his/her term as non-voting member, the voting member from the private sector; and (vii) three representatives selected from civil society, of which, one will be an environmental observer and two will become, after their terms as non-voting members, voting members. ▪ Each Government Voting Member position shall be filled by the individual then holding the office identified, who shall serve as long as he/she remains in such office.
Technical Secretariat	<ul style="list-style-type: none"> (i) Chief Executive Officer (ii) Chief Operating Officer (iii) Chief Financial Officer (iv) General Counsel (v) Procurement Officer (vi) Environmental and Social Impact Officer (vii) Monitoring and Evaluation Officer (viii) Rail Project Director (ix) Peri-Urban Rangeland Director (x) Urban Property Rights Director, (xi) Technical and Vocational Education Project Director (xii) Health Project Director
Stakeholders Committee	<ul style="list-style-type: none"> ▪ Comprised of: <ul style="list-style-type: none"> (i) Representatives of the private sector (ii) One or more representatives of civil society <p>Private sector members of the Stakeholders' Committee will be selected initially by private sector members of the National Council, and civil society members will be selected initially by the civil society members of the National Council.</p>
Fiscal Agent	GFA & Charles Kendall & Partners Limited
Procurement Agent	Crown Agents

Nicaragua
Millennium Challenge Account- Nicaragua (MCA-Nicaragua)
Fundación Reto del Milenio-Nicaragua
Proposal Date- October 25, 2004
Compact Signed- July 14, 2005
Entry into Force: May 26, 2006

Nicaragua	
Legal Structure	Fundación Reto del Milenio-Nicaragua (MCA-Nicaragua) was established pursuant to Nicaraguan law through <i>Decreto Legislativo</i> No. 4452, as a not-for-profit foundation.
Board Composition	<p>Board</p> <ul style="list-style-type: none"> ▪ Seven (7) Voting Members: <ul style="list-style-type: none"> (i) Four (4) ministers or secretary-level representatives of the government (ii) Two (2) representatives rotated periodically from among the Civil Observers (as described below) (iii) One (1) mayor rotated periodically from among the Mayor Observers (as described below) ▪ Non-Voting Observers: <ul style="list-style-type: none"> (i) MCC Observer (ii) A representative appointed by each of the following government ministries: the Ministry of Agriculture and Forestry, the Ministry of Transportation and Infrastructure, and the Ministry of the Environment and Natural Resources of Nicaragua (iii) Civil Observers: A representative appointed by each of the following civil society organizations (“Civil Observers”): León Local Development Council, Chinandega Local Development Council, two other civil society organizations, the selection of which shall be subject to MCC approval, and such other organization(s) to which the parties mutually agree (iv) Mayoral Observers: Two (2) Mayor Representatives from León and Chinandega Departments ▪ Chair of the Board: The chairman shall be a government director chosen by mutual agreement of the government and MCC. Each chairman so chosen shall serve for a term of 2½ years. ▪ Term of Voting Members: No terms for Government Members. Each Government member may be replaced by another government official, subject to approval by the Government and MCC; each Government Member position shall be filled by the individual then holding the office identified and such individuals shall serve in their capacity as the applicable Government official and not in their personal capacity. The Civil Observers shall serve as voting members of the Board for two non-consecutive terms of 15 months. The Mayor Observer shall serve as a voting member of the Board for two non-consecutive terms of 15 months.
Management Unit	<ul style="list-style-type: none"> (i) General Director (ii) Deputy General Director (iii) Administration and Finance Director (iv) Monitoring and Evaluation Director (v) Environmental and Social Impact Specialist (vi) Management Information Systems Director (vii) Communications Director (viii) Procurement Director (ix) General Counsel (x) Infrastructure Specialist (xi) Rural Business Specialist

Nicaragua	
Stakeholders Committee	None.
Fiscal Agent	The Louis Berger Group, Inc.
Procurement Agent	The Louis Berger Group, Inc.

Vanuatu
Accountable Entity: MCA-Vanuatu
Proposed: March 31, 2005
Compact Signed: March 02, 2006
Entry into Force: April 28, 2006

Vanuatu	
Legal Structure	<ul style="list-style-type: none"> ▪ MCA-Vanuatu has been established by the Government of Vanuatu as an independent unit within the Ministry of Finance and Economic Management pursuant to a Council of Ministers Resolution and by Charter, signed by the Minister of Finance
Board Composition	<p>Steering Committee</p> <ul style="list-style-type: none"> ▪ Thirteen (13) Voting Members: <ul style="list-style-type: none"> (i) Director-General (DG) of the Office of the Prime Minister (ii) DG of the Ministry of Finance and Economic Management (iii) DG of the Ministry of Foreign Affairs and External Trade (iv) DG of the Ministry of Infrastructure & Public Utilities (v) DG of the Ministry of Lands (vi) Director of the Public Works Department (vii) Director of Finance (viii) Director of the Department of Economics and Social Development (ix) Director of the Department of Strategic Management; (x) Head of Development Cooperation, Ministry of Foreign Affairs (xi) General Manger of the Chamber of Commerce (xii) Secretary-General, Vanuatu Non-Governmental Organizations (xiii) Chief Statistician ▪ Three (3) Non-Voting Observers: <ul style="list-style-type: none"> (i) MCC Observer (ii) Director of Environment Unit, Ministry of Lands (iii) General Manager, Vanuatu Tourism Office ▪ Ex Officio Member of Steering Committee: Director of the Program Management Unit ▪ Chair of Steering Committee: Director-General of the Office of Prime Minister ▪ Terms of Voting Members: No Terms. Each Government member may be replaced by another government official, subject to approval by the Government and MCC; each Government Member position shall be filled by the individual then holding the office identified and such individuals shall serve in their capacity as the applicable Government official and not in their personal capacity.
Management Unit	<ul style="list-style-type: none"> (i) One (1) Director (ii) One (1) Economist (iii) One (1) Engineer/Procurement Director (iv) One (1) Administrative and Support Personnel (v) One (1) Environmental Social Impact Officer
Stakeholders Committee	N/A
Fiscal Agent	Ministry of Finance and Economic Management, Department of Finance
Procurement Agent	GRM

ANNEX II TO MCC GUIDELINES FOR ACCOUNTABLE ENTITIES AND IMPLEMENTATION STRUCTURES

FORM OF CONFIDENTIALITY AGREEMENT

MCA-XXX CONFIDENTIAL INFORMATION POLICY

I. General Purpose

MCA-XXX encourages transparency with respect to Program implementation as part of the requirements of the Compact and the MCC Accountable Entity Guidelines. However, certain proprietary or sensitive information of MCA-XXX should be treated as confidential and shall not be disclosed, in order to avoid harm to MCA-XXX and the Objectives of the Program. The general purpose of the following policy (the “*Confidential Information Policy*”) is to protect privileged and confidential information of MCA-XXX and to provide guidance to board members, officers and staff of MCA-XXX in the handling and treatment of confidential information.²

II. Definitions

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Compact or the Disbursement Agreement, as the case may be. In addition, in this Confidential Information Policy, the following terms shall have the meanings given to them below:

“*Compact*” means the Millennium Challenge Compact between the United States of America, acting through the Millennium Challenge Corporation (“*MCC*”), and the Government of XXX (the “*Government*”), executed on [_____];

“*Confidential Information*” means any information obtained or received by a Covered Person in the course of performing his or her duties or responsibilities for MCA-XXX, or as a result of his or her relationship with MCA-XXX, that is not otherwise publicly available from sources other than a disclosure in violation of this Confidential Information Policy. “*Confidential Information*” shall include, but is not limited to (a) documents, reports, cost estimates, technical data and information concerning MCA-XXX or the Program; (b) MCA-XXX personnel matters, including, without limitation, compensation data; (c) matters relating to actual, potential or apparent conflicts of interest, (d) procurement matters prior to final contract award, (e) contract administration matters; and (f) any information specifically designated by MCA-XXX or its Board of Directors or by MCC as being confidential or proprietary information;

“*Covered Person*” means (i) each Voting Member and each Observer of the Board of Directors of MCA-XXX; (ii) each officer, employee, staff, consultant, contractor, agent, representative or volunteer engaged by or providing services to MCA-XXX, including, but not limited to, each member of the Management; and (iii) each member of a Stakeholders Committee of MCA-XXX, *provided* that MCC and its employees, including the MCC Representative, shall not constitute Covered Persons;

“*Disbursement Agreement*” means the Disbursement Agreement among the Government, MCA-XXX and MCC, dated as of [_____]; and

“*MCC Accountable Entity Guidelines*” means the “Guidelines for Accountable Entities and Implementation

² Authority for this Confidential Information Policy may be found in Section 3.2(I) of the MCC Accountable Entity Guidelines, Section 5.18 of the Disbursement Agreement, and Sections 2.11(b), 3.8(b) and 5.3 of the Bylaws of MCA-XXX.

Structures” furnished to MCA-XXX by MCC, which may be found on the MCC Website, as amended from time to time.

III. Policies

- A. Each Covered Person shall maintain the strict confidentiality of all Confidential Information, and shall take all reasonably possible steps (and, at a minimum, shall comply with any applicable professional standards, if any) to prevent the use or disclosure of such Confidential Information, except as explicitly authorized by MCA-XXX with the prior written approval of MCC.
- B. Except as otherwise provided in this Confidential Information Policy, the disclosure, distribution, electronic transmission or copying of Confidential Information is prohibited.
- C. A Covered Person who discloses Confidential Information in violation of this Confidential Information Policy will be subject to disciplinary action (including possible termination or separation), even if he or she does not actually benefit from the disclosure. This Confidential Information Policy shall be binding upon each Covered Person both during, and after the termination (for any reason) of, such person’s employment or association with MCA-XXX.
- D. A Covered Person may disclose Confidential Information to another Covered Person only on a “need to know” basis and *provided* that such other Covered Person has agreed to be bound by this Confidential Information Policy.
- E. A Covered Person shall not use Confidential Information for his or her personal benefit or for the benefit of any of his or her family members or associates.
- F. Upon the cessation or termination of a Covered Person’s employment, engagement or association with MCA-XXX, such Covered Person shall promptly return all Confidential Information and other documents or materials that such person has obtained in the course of his or her association with MCA-XXX. A Covered Person is not permitted to retain copies of any such Confidential Information or documents or materials upon the cessation or termination of his or her relationship with MCA-XXX.
- G. The Board of Directors may from time to time authorize the Management to make publicly available certain information as required under the Compact, the Disbursement Agreement and the other Compact Documents. However, no individual Covered Person shall take it upon himself or herself to disclose Confidential Information for purposes of complying with the publicity requirements of the Compact, the Disbursement Agreement or the other Compact Documents unless explicitly authorized to do so by the Board of Directors.
- H. Notwithstanding the restrictions on disclosure contained in this Confidential Information Policy, a Covered Person may, and upon request of MCC shall, provide any information (including Confidential Information) to MCC, the Inspector General of MCC, the United States Government Accountability Office or other independent auditors and investigatory bodies that may be designated by MCC.
- I. If, at any time, any Covered Person has a question as to whether a particular item or matter may be disclosed, he or she shall, and shall be entitled to, request the guidance of the Legal Adviser of MCA-XXX prior to disclosure.
- J. A copy of this Confidential Information Policy shall be given to each Covered Person upon commencement of such person’s relationship with MCA-XXX or upon the official adoption of this policy. Each Covered Person shall be required to sign an acknowledgement in the form attached as Appendix 1 to this Confidential Information Policy as a condition of his or her appointment or engagement by or with MCA-XXX.

Date of approval by the Board of Directors of MCA-XXX: _____

Appendix 1

Confidential Information Policy

Acknowledgement and Annual Disclosure Form

This Confidential Information Policy Acknowledgement (this “*Acknowledgement*”) must be filed by each Covered Person, as defined in the MCA-XXX Confidential Information Policy (ratified by the Board of Directors of MCA-XXX on [●], 20[●]) (the “*Confidential Information Policy*”). Capitalized terms used in this Acknowledgement have the meanings given to them in the Confidential Information Policy.

I have received and carefully reviewed the Confidential Information Policy of MCA-XXX and have considered not only the literal expression of the policy, but also its intent. By signing this Acknowledgement, I hereby confirm that I understand the contents of, and my obligations under, the Confidential Information Policy and affirm that I agree to comply with the Confidential Information Policy, both during and after the cessation or termination (for any reason) of my relationship with MCA-XXX.

Signature _____

Printed Name _____

Date _____

ANNEX III TO MCC GUIDELINES FOR ACCOUNTABLE ENTITIES AND IMPLEMENTATION STRUCTURES

FORM OF CONFLICT OF INTEREST AGREEMENT

MCA-XXX CONFLICTS OF INTEREST POLICY

I. General Purpose

The general purpose of the following policy and procedures (the “*Conflicts of Interest Policy*”) is to protect and preserve the integrity of the internal decision-making processes of MCA-XXX, to prevent the personal interest of board members, officers, staff and other agents, associates or representatives of MCA-XXX from interfering with the performance of their duties to MCA-XXX and to ensure that board members, officers, staff and other agents, associates or representatives of MCA-XXX do not obtain personal financial, professional or political gain at the expense of MCA-XXX, its stakeholders or MCC.³

II. Definitions

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Compact or the Disbursement Agreement, as the case may be. In addition, in this Conflicts of Interest Policy, the following terms shall have the meanings given to them below:

“*Compact*” means the Millennium Challenge Compact between the United States of America, acting through the Millennium Challenge Corporation (“*MCC*”), and the Government of XXX (the “*Government*”), executed on [_____];

“*Conflict of Interest*” means an actual, potential or apparent conflict between the responsibilities and duties of a Covered Person, on the one hand, and the private interests of a Covered Person, his or her Immediate Family, his or her business partners, organizations controlled by or substantially involving any of the foregoing persons (for example, any other organization for whom such Covered Person is or acts as a shareholder, director, officer or employee), organizations in which any of the foregoing persons have a financial interest, or any person or organization with whom such Covered Person is negotiating or has any arrangement concerning prospective employment, on the other hand. A “*Conflict of Interest*” includes, but is not limited to, any one or more of the following:

- (1) A Covered Person is related to another Covered Person by blood, marriage or domestic partnership;
- (2) A Covered Person or a member of his or her Immediate Family, or any organization with whom any such person is affiliated, seeks to participate in a transaction with MCA-XXX or another Covered Person, or directly or indirectly stands to benefit (or may potentially benefit) from MCC Funding, an MCA-XXX transaction or a transaction with another Covered Person;
- (3) A Covered Person or a member of his or her Immediate Family, or any organization with whom any such person is affiliated, receives a payment, Gift or offer of employment from MCA-XXX or from any other source from any other person who directly or indirectly stands to benefit (or may potentially benefit) from MCC Funding, an MCA-XXX transaction or a transaction with another Covered Person;
- (4) A Covered Person or a member of his or her Immediate Family (or any close friend) has an interest - whether

³ Authority for this Conflicts of Interest Policy may be found in Section 3.2(b) and Annex I, Part 3(d)(ii)(2)(G) of the Compact, Section 3.2(J) of the MCC Accountable Entity Guidelines, and Sections 2.11, 3.8 and 4.7 of the Bylaws of MCA-XXX.

economic or otherwise, and whether as an owner, investor, partner, director, trustee, officer, employee or consultant - in any person, firm, corporation, or other organization or enterprise, that supplies or receives funds, goods, services, or required approvals to or from MCA-XXX, or is seeking to do so in the future;

- (5) A Covered Person assists a third party in their dealings with MCA-XXX, where such assistance could result in favorable or preferential treatment being granted to the third party by MCA-XXX;
- (6) A Covered Person learns of an opportunity for profit which may be valuable to him or her personally, to any member of his or her Immediate Family, to any other organization with whom such Covered Person is affiliated, or to any other person known to such Covered Person;
- (7) A Covered Person or a member of his or her Immediate Family, or any organization with whom any such person is affiliated, is gratuitously provided use of the facilities, property or services of MCA-XXX; or
- (8) A Covered Person is motivated by any consideration other than the best interests of MCA-XXX.

“Covered Person” means (i) each Voting Member and each Observer of the Board of Directors of MCA-XXX; (ii) each officer, employee, staff, consultant, contractor, agent, representative or volunteer engaged by or providing services to MCA-XXX, including, but not limited to, each member of the Management; and (iii) each member of an Stakeholders Committee of MCA-XXX, *provided* that MCC and its employees, including the MCC Representative, shall not constitute Covered Persons;

“Gift” means any type of gratuity, favor, service, discount, loan, fee or property, and anything else of value;

“Disbursement Agreement” means the Disbursement Agreement among the Government, MCA-XXX and MCC, dated as of [_____];

“Immediate Family” means, with respect to any person, a spouse, children, siblings, parents, grandparents, grandchildren, domestic partners, in-laws and the respective spouses of each of the foregoing; and

“MCC Accountable Entity Guidelines” means the “Guidelines for Accountable Entities and Implementation Structures” furnished to MCA-XXX by MCC, which may be found on the MCC Website, as amended from time to time.

III. Policies and Procedures

A. Duties of Covered Persons

Each Covered Person, when acting in his or her capacity as a Board or Stakeholders Committee member or observer, officer, employee, staff, consultant, contractor, agent, representative or volunteer of MCA-XXX, as the case may be, shall:

- (1) Comply with the terms of the Compact, the Disbursement Agreement, the MCC Accountable Entity Guidelines, any other applicable agreement executed in connection with the Compact, and with the terms of any agreement between the Covered Person and MCA-XXX, and with the other laws, rules and regulations applicable to the MCA-XXX;
- (2) Perform his/her duties in a diligent and timely manner, exercising his/her best judgment and reasonable care, and applying the sound financial, technical and management practices required to meet the Objectives of the Compact and the Program;
- (3) Act with a duty of undivided loyalty to MCA-XXX and exercise his or her duties solely in accordance with the best interests of MCA-XXX, the Program, the Compact Goal and the Objectives, placing the interests of MCA-XXX above his or her personal interests or the interests of any other person or any other organization with which the Covered Person is associated;

- (4) Not undertake any action that is contrary to the interests of MCA-XXX or which would or could reasonably be expected to result in direct or indirect personal gain or a Conflict of Interest; and
- (5) As promptly as possible, disclose in writing to the Chair of the Board of Directors or the Secretary of the Board of Directors of MCA-XXX any actual, potential or apparent Conflict of Interest.

B. Policies with respect to Conflicts of Interest

- (1) No Covered Person shall participate in the selection, award, administration or oversight of a contract, grant or other benefit or transaction funded or entered into, or to be funded or entered into, by MCA-XXX or with MCC Funding, in relation to which the Covered Person has a Conflict of Interest, unless such Covered Person has first disclosed the Conflict of Interest to the Chair or the Secretary of the Board of Directors of MCA-XXX in accordance with this Conflicts of Interest Policy and, following such disclosure, a majority of the Board of Directors (without counting the vote of any Covered Person that has a Conflict of Interest with respect to such transaction) has approved such participation and MCC has consented in writing to the participation of such Covered Person notwithstanding the Conflict of Interest.
- (2) No Covered Person involved in the selection, award, administration, oversight or implementation of any contract, grant or other benefit or transaction funded or entered into, or to be funded or entered into, by MCA-XXX or with MCC Funding, shall solicit or accept from or offer to a third party or seek or be promised (directly or indirectly) for itself or for another person or entity any payment, Gift, or other benefit of any kind or nature, other than items which are of *de minimis* value and are otherwise consistent with such guidance as MCC may provide from time to time. Any payment, Gift or other benefit that cannot be courteously returned shall be delivered to the Chair of the Board of Directors for charitable disposition or such other disposition as the Board of Directors believes appropriate in its sole discretion.

C. Disclosure of Conflicts of Interest

- (1) Each Covered Person shall make prompt and full disclosure in writing to the Chair or the Secretary of the Board of Directors of MCA-XXX of any and all Conflicts of Interest.
- (2) Following full disclosure of each Conflict of Interest, the Board of Directors shall determine whether a Conflict of Interest exists and, if so, the Board shall vote to authorize or reject the transaction or take any other action deemed necessary to address the conflict and protect MCA-XXX's best interests. Both votes shall be by a majority vote of the Voting Members of the Board of Directors without counting the vote of any Covered Person who has such Conflict of Interest, even if the disinterested Voting Members are less than a quorum, *provided* that at least one consenting Voting Member is disinterested.
- (3) A Covered Person that has a Conflict of Interest shall not participate in any discussion, deliberation or debate of the Board of Directors, Stakeholders Committee, any committee or subcommittee thereof, or the Management, in which the subject of discussion is a contract, transaction, or situation with respect to which such Covered Person has or may have a Conflict of Interest. However, such Covered Person may be present to provide clarifying information in such a discussion, deliberation or debate if requested by a majority of the disinterested members of the Board, Stakeholders Committee, committee or Management, as applicable.
- (4) Any member of the Board of Directors or any Stakeholders Committee who is considering employment with MCA-XXX must take a temporary leave of absence until the position is filled. Such a leave will be taken within the Board or Stakeholders Committee member's elected term, which term will not be extended because of the leave. A Board or Stakeholders Committee member who is formally considering employment with MCA-XXX must submit a written request for a

temporary leave of absence to the Secretary of the Board of Directors of MCA-XXX, indicating the time period of the leave. The Secretary of the Board of Directors of MCA-XXX will inform the Chair of the Board of Directors of such a request. The Chair will bring the request to the Board of Directors for action. The request and any action taken shall be reflected in the official minutes of the Board of Directors.

- (5) A copy of this Conflicts of Interest Policy shall be given to each Covered Person upon commencement of such person's relationship with MCA-XXX or upon the official adoption of this policy. Each Covered Person shall sign and date an acknowledgement and disclosure form in the form of Appendix 1 to this Conflicts of Interest Policy at the beginning of her or his term of service or employment and each year thereafter and deliver such form to the Chair of the Board of Directors. This annual certification requirement does not relieve any Covered Person of its obligation to promptly disclose any matter as required under this Conflicts of Interest Policy. Failure to sign or file such acknowledgement does not nullify the Conflicts of Interest Policy.

Date of approval by the Board of Directors of MCA-XXX: _____

Appendix 1

Conflicts of Interest Policy Acknowledgement and Annual Disclosure Form

This acknowledgement and disclosure form (this “*Acknowledgement*”) must be filed annually by each Covered Person, as defined in the MCA-XXX Conflicts of Interest Policy (ratified by the Board of Directors of MCA-XXX on [●], 20[●]) (the “*Conflicts of Interest Policy*”). Capitalized terms used in this Acknowledgement have the meanings given to them in the Conflicts of Interest Policy.

I have received and carefully reviewed the Conflicts of Interest Policy of MCA-XXX and have considered not only the literal expression of the policy, but also its intent. By signing this Acknowledgement, I hereby confirm that I understand the contents of, and my responsibilities under, the Conflicts of Interest Policy and affirm that I agree to comply with the Conflicts of Interest Policy.

If any situation should arise in the future that I think may involve a Conflict of Interest, I will promptly and fully disclose the circumstances thereof in writing to the Chair or the Secretary of the Board of Directors of MCA-XXX. As of the date of this Acknowledgement:

_____ I have no Conflict of Interest to report.

_____ I have the following Conflict(s) of Interest to report (please specify):

Signature _____

Printed Name _____

Date _____

