MCC FY11 Strategic Sustainability Performance Plan

June 3, 2011

MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

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Section 1: Objectives & Implementation

Introductory Letter

June 3, 2011 Letter to the Council on Environmental Quality and the Office of Management and Budget.

Dear Chair Sutley and Director Lew:

The Millennium Challenge Corporation (MCC) is committed to promoting and supporting environmental sustainability in its policies and in its operations. As the Senior Sustainability Officer, I am pleased to present MCC's Fiscal Year 2011 Strategic Sustainability Performance Plan.

MCC is an innovative and independent U.S. foreign aid agency helping lead the fight against global poverty. Created by the U.S. Congress in 2004, MCC to date has signed 23 development assistance compacts as it focuses on good policies, country ownership, and achieving tangible, long-lasting results. MCC promotes environmental sustainability as a core principle of economic growth in its partner countries.

This Sustainability Plan reflects MCC's strong commitment to meeting all applicable environmental and energy statues, regulations, and Executive Orders, addressing specifically Executive Order (EO) 13514, "Federal Leadership in Environmental, Energy, and Economic Performance." EO 13514's goal is "to establish an integrated strategy towards sustainability in the Federal Government and to make reduction of greenhouse gas emissions (GHG) a priority for Federal agencies."

MCC is a small agency with fewer than 300 Federal employees at its leased headquarters in Washington, DC, and a minimal presence in partner countries abroad. Nonetheless, MCC is committed to creating a sustainability-conscious operating environment for all of its employees and continuously improving policies and practices to enhance its environmental performance.

This year's plan highlights MCC's new flexible work policy that will help reduce greenhouse gas emissions, its affirmative procurement activities, electronic stewardship, a space consolidation analysis, a pro-cycling policy revision, and a robust internal communications plan that builds on previous years' substantial "greening" initiatives.

In developing this FY 2011 Sustainability Plan, MCC has woven key elements of accountability, communication, and evaluation into the overall plan that, in turn, is integrated into agency-wide planning and budgeting. MCC is proud of its sustainability record and remains committed to a program of continuous improvement in the coming year.

Thomas Schehl, Senior Sustainability Officer,
Millennium Challenge Corporation

Sustainability and the Agency Mission

This Sustainability Plan reflects MCC's commitment to promoting and supporting sustainability in its policies and its daily operations.

Policies

MCC's approach to development is based on the principle that aid is most effective when it reinforces sound political, economic, environmental and social policies that promote poverty reduction through sustainable economic growth. MCC forms partnerships with some of the world's poorest countries — but only those committed to good governance, economic freedom and investments in their citizens. MCC provides these well-performing countries with large-scale grants to fund country-led solutions for reducing poverty through sustainable economic growth. MCC grants complement other U.S. and international development programs.

MCC recognizes that sustainable growth and a healthy environment are necessarily related. MCC environmental and social guidelines are intended to ensure that programs funded under Millennium Challenge Compacts with eligible countries are environmentally sound, designed to integrate good practice, and operate in compliance with applicable laws and regulations.

Operations

MCC seeks to ensure the sustainability in its operations, which are summarized in *Table 1* below. This Plan addresses MCC domestic operations, as required under EO 13514.

Table 1—Agency Summary (as of June 1, 2011)

Total # Employees	279
Total Acres Land Managed	0
Total # Facilities Owned	0
Total # Facilities Leased (GSA lease)	0
Total # Facilities Leased (Non-GSA)	2
Total Facility Gross Square Feet (GSF)	124,752
Operates in # of Locations throughout U.S.	2
Operates in # of Locations outside of U.S. (as of 6/11)	19*
Total # Fleet Vehicles Owned	0
Total # Fleet Vehicles Leased	1

Total # Exempted-Fleet Vehicles (Tactical, Emergency, Etc.)	0
Total Operating Budget for Administrative Expenses, FY 2010 ($MIL)	$95
Total # Contracts Awarded FY 2010	792
Total Amount Contracts Obligated FY 2010 ($MIL)	$65.3
Total Amount Spent on Energy Consumption FY 2010 ($MIL)	N/A
Total MBTU Consumed per GSF	N/A
Total Gallons of Water Consumed per GSF	N/A
Total Scope 1&2 GHG Emissions (Comprehensive) FY 2008 Baseline MMTCO2e	2.174
Total Scope 1&2 GHG Emissions (Subject to Agency Scope 1&2 Reduction Target) FY 2008 Baseline MMTCO2e	N/A
Total Scope 3 GHG Emissions (Comprehensive) FY 2008 Baseline MMTCO2e	2.513
Total Scope 3 GHG Emissions (Subject to Agency Scope 3 Reduction Target) FY 2008 Baseline MMTCO2e	.494

*The 19 overseas facilities are typically staffed by two to four people and are beyond the scope of this report.

Greenhouse Gas Reduction Goals

EO 13514 requires Federal agencies to establish Scope 1 and 2 emission baselines and reduction targets for domestic operations where applicable. Scope 1 targeting does not apply to MCC because MCC neither owns nor controls any significant sources of direct greenhouse gas emissions. MCC leases and operates a single E85-fueled hybrid vehicle.

Scope 2 targeting does not apply because MCC leases approximately 125,000 square feet of commercial office space in two adjacent commercial buildings, where electricity consumption in both buildings is centrally metered and shared with other lessees. Thus, MCC does not control decisions related to the operation or upgrade of major building systems, including heating, ventilation and air conditioning (HVAC) and lighting.

Nonetheless, MCC plans a space consolidation analysis in the coming months, and the agency continues to engage its Lessor(s) and their respective building management to identify cost-effective opportunities that reduce GHG emissions. MCC also continues to track and report Scope 2 emissions performance against the FY 2008 baseline.

Scope 3 Target:

Table 2 exhibits that MCC establishes a 15% emission reduction target for Scope 3 emissions derived from staff commuting.

Table 2—Emission Reduction Targets for Scope 3 Emissions

Scope 3 GHG Target	Units	FY 2010	FY 2012	FY 2015	FY 2020
Scope 3 Emissions Reduction Target (staff commuting)	MTCO2e	494.3	469.6	444.9	420.2
Scope 3 Emissions Reduction Target (staff commuting)	%	0	5	10	15

To establish a baseline, MCC in early 2011 surveyed employee commuting habits and confirmed that the majority of staff commuting miles were attributable to public transportation (53%) versus personal vehicles (42%). Also in early 2011, MCC began implementing its flexible work program, which allows employees to work alternative work schedules or to telework and this could be an important factor in reducing staff commuting miles.

MCC Scope 3 emissions also derive from significant airline travel between headquarters and the field, given MCC's oversight model which requires regular travel to support partner country implementation of MCC financed programs. Since MCC staff travel is fundamental to the achievement of the agency's mission and its fiduciary responsibility to ensure that compact funds are used effectively, MCC has not established a Scope 3 emission reduction target for airline travel. MCC continues, however, to explore and encourage opportunities to reduce staff travel, such as expanding use of videoconferencing technologies, and will continue to monitor and track airline travel against its FY 2008 baseline.

Plan Implementation

MCC's FY 2011 Sustainability Plan integrates key elements of accountability, communication, and evaluation into a coherent implementation framework. Further, MCC continues to integrate its sustainability policy, planning and investment considerations into broader agency policy, planning and budget activities.

Leadership & Accountability

MCC's Environmental and Social Assessment Practice Leader is designated the agency's Senior Sustainability Officer (SSO) and is responsible for overall planning and implementation of the Sustainability Plan. The Deputy Vice President of the Dept. of Administration and Finance (DVP AF) chairs the Sustainability Working Group (Working Group) to coordinate with the Senior Sustainability Officer operational support of the Plan's development, execution and monitoring, since operational roles

and responsibilities for implementing the plan are located primarily within that Department. The Plan is integrated into the activities of these AF divisions:

- ★ Administrative Services and Human Resources (ASHR) is responsible for developing and managing various human capital initiatives to recruit, train, and retain a highly effective workforce, including flex time and telework programs. Additionally, the division is responsible for managing MCC's leased facilities, commuter benefits programs, office supply/paper acquisition, and recycling.
- ★ Office of the Chief Information Officer (OCIO) is responsible for the delivery and management of information technology (IT) services to support MCC's business needs. This includes but is not limited to hardware, software, and communications/connectivity.
- ★ Financial Management Division (FMD) is responsible for budget, accounting, travel, and reporting.
- ★ Contracts and Grants Management (CGM) is responsible for procurement and acquisitions.

The Working Group consists of the SSO, the DVP AF, staff with key performance indicator responsibilities, and representatives from across MCC. The Working Group meets as needed but at least on a quarterly basis to assess the plan implementation and to coordinate strategic communication efforts. These meetings are also used to report performance indicators against plan goals and to adapt activities as appropriate to meet the goals.

The Working Group presents the Sustainability Plan and key performance objectives on an annual basis to the MCC Chief Executive Officer and agency senior staff. In addition, the DVP AF is a member of the senior leadership team and ensures coordination and integration of the Sustainability Plan into the agency's overall planning.

Policy, Planning, and Budget Coordination and Integration

Sustainability policy and planning considerations have been integrated into the MCC policy and planning process. Initiatives include MCC's new flexible work policy, its affirmative procurement activities, electronic stewardship, a space consolidation analysis, a pro-cycling policy revision, and development of an agency-wide communications plan.

MCC will update its internal budget preparation guidance to ensure consideration of goals and targets described in the agency's sustainability plan and as mandated by Executive Order (EO) 13514, other applicable EOs, relevant statutes, and budget guidance issued by OMB through Circular A-11 *Preparation, Submission, and Execution of the Budget*, or other budget guidance.

The Financial Management Division within MCC's Department of Administration and Finance will coordinate with budget personnel in all agency departments to encourage budget and policy integration. OMB's issuance of annual guidance on development of the President's budget (typically released in the spring of each year) launches the annual internal MCC process to consider and incorporate budget priorities for the coming fiscal year budget submission, including any sustainability goals and targets. Agency leads for relevant reports/plans in *Table 3 (Critical Planning Coordination)* will be identified to facilitate communication on the integration of the agency's sustainability plan within and across these reports.

Each lead for the relevant reports/plans identified in Table 3 shall be included in the internal MCC budget preparation effort.

Table 3—Critical Planning Coordination illustrates the relationship between MCC's sustainability plan and other planning and reporting efforts across the agency. (Note: 'yes' means the EO goal is relevant to and has been integrated into the listed report/plan; 'no' means the EO goal has not yet been integrated; and 'n/a' means the EO goal is not applicable.)

Table 3—Critical Planning Coordination

Originating Report / Plan	Scope 1 & 2 GHG Reduction	Scope 3 GHG Reduction	Develop and Maintain Agency Comprehensive GHG Inventory	High-Performance Sustainable Design / Green Buildings	Regional and Local Planning	Water Use Efficiency and Management	Pollution Prevention and Waste Elimination	Sustainable Acquisition	Electronic Stewardship and Data Centers	
GPRA Strategic Plan	No	No	No	n/a	n/a	No	No	No	No	No
A-11 300s	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Yes	Yes	n/a
Annual GHG Inventory and Energy Data Report	Yes	Yes	Yes	n/a	n/a	Yes	Yes	Yes	Yes	n/a
Budget	Yes	Yes	Yes	n/a	n/a	Yes	Yes	Yes	Yes	n/a
Circular A-11 Exhibit 53s	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Yes	Yes	n/a
DOE's Annual Federal Fleet Report to Congress and the President	Yes	Yes	Yes	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Internal Communication and Plan Dissemination

MCC has developed a communication plan to coordinate and disseminate the Sustainability Plan to all MCC employees with the following objectives:

- ★ Educate MCC staff regarding sustainability goals and accomplishments;
- ★ Promote staff behavioral change, focusing on changes that achieve lower energy and material consumption, higher rates of recycling and enhance other strategic sustainability initiatives; and,. Recognize and reinforce sustainability-conscious efforts.

For each objective, the communication plan elaborates on tactics and activities to be utilized to reach the objective for the key audiences. Communication methods include a kick-off campaign to include all-staff emails that provide an overview of the Sustainability Plan and its key performance objectives, "brown bag" talks and real-time communication through our Intranet to update staff on performance objectives and ways to contribute, and utilization of the MCC "Tip of the Day" to communicate related information

and encourage staff participation. Individual employees also will be recognized for engaging in sustainable activities and developing initiatives. Follow-up communications on target performance will be sent quarterly.

Methods for Evaluation of Progress

As stated above, the Sustainability Plan integrates key elements of accountability, communications, and evaluation into a coherent framework. The MCC Sustainability Working Group will collect key performance metrics and assess quarterly progress on meeting performance targets. The Working Group will ensure continuous monitoring and assessment of initiatives, review of performance metrics, recognition of positive accomplishment, and implementation of corrective actions.

Evaluating Return on Investment

Where possible, MCC will prioritize actions based on a full accounting of both economic and social benefits and costs and shall drive continuous improvement by annually evaluating performance, extending or expanding projects that have net benefits and reassessing or discontinuing under-performing projects. This approach is consistent with MCC's core values and operational practices. MCC uses a robust economic analysis as a core indicator of the sustainability of its poverty reduction programs and strongly supports such an approach for its own actions under EO 13514.

MCC may not always have sufficient information to undertake a rigorous accounting of costs and benefits. Electricity consumption in MCC's leased commercial space is centrally metered with costs apportioned based on each tenant's square foot occupancy. As a result, MCC cannot directly measure its electricity use and the benefits of MCC investments in efficiency improvements may not accrue directly or wholly to MCC. MCC also does not control investment decisions related to building design, operation and/or upgrade. These are important considerations that may affect MCC's ability to undertake rigorous cost benefit analyses and may influence its future EO 13514 investment decisions. Given these limitations, MCC has typically selected, and will continue to select, to invest in measures that are widely recognized as being good practice and having a positive return on investment.

Transparency

MCC considers transparency of progress and results as critical to enhancing plan effectiveness and ensuring accountability. MCC will post its final FY 2011 Sustainability Plan on its website. As noted earlier, MCC has solicited staff input and feedback and will continue to communicate initiatives, progress, and results to employees through signage, e-mail, "brown bag" discussion forums, intranet postings, and other means. MCC will also update its 2009 fact sheet, *MCC: Matching a Commitment to Conservation Abroad with Compliance and Innovation at Headquarters*, and distribute widely in both hard copy and electronic copy to stakeholders and media. This short report will provide a summary of the Sustainability Plan and reflect progress, results, and lessons learned in 2010. It will be posted to the public website and updated on an annual basis.

Performance Review & Annual Update

Summary of Accomplishments:

Over the past year, MCC has made continued progress toward enhancing its environmental performance, increasing efficiency, reducing waste, and greening procurement. The following is a brief summary of past year activities.

Electricity Consumption:

MCC occupies parts of two adjacent buildings, both of which have modern, energy efficient systems, including upgraded, energy efficient HVAC, lighting, motion sensors, and low flow fixtures. The owners of both buildings have applied for the 2011 Energy Star rating for commercial buildings. One of the buildings has earned the Energy Star rating in each year since 2008.

MCC's past year efforts to enhance efficiency and reduce electricity consumption include the following:

- ★ MCC worked with building management to identify areas where lighting upgrades or motion sensors have yet to be installed and to upgrade some of these areas to energy-efficient compact fluorescent or light-emitting diode (LED) lighting and to install motion sensors where needed.
- ★ MCC continued efforts to improve power management of information technology devices and configured enhanced power management capabilities on all desktop and laptop devices. Additionally, MCC continues to move toward maximum virtualization of its server infrastructure and deployment of Electronic Product Environmental Assessment Tool (EPEAT) compliant systems.
- ★ To foster staff support and engagement, MCC implemented an awareness campaign that included the Tip of the Day program, posting sustainability literature and messaging in all conference rooms, and highlighting activities on the agency's intranet site.

Water Usage

MCC worked with building management to assess water use and confirm that both buildings have installed low-flow fixtures that reduce demand and conserve water.

Copiers, Printers and Paper Use

MCC configures printers and copiers to optimize their efficiency and reduce paper use. For example, MCC has set copiers to duplex printing and has phased out use of cover pages on print jobs. Copiers are set to automatically power down or enter sleep mode between print jobs. MCC has converted to environmentally preferable soy-based inks and uses 100% post-consumer recycled content, acid- and elemental chlorine-free, FSC certified-paper. These efforts yield ongoing environmental benefits. For example, MCC paper purchases have been reduced from 5,400 reams in FY 2008, to 3,000 reams in FY 2010. This represents a 45% reduction in paper purchases.

Waste Reduction/Recycling

MCC occupies commercial leased space and building management is responsible for waste collection and recycling activities. In 2010, MCC confirmed that building waste management programs were incompliance with DC requirements to segregate recyclable materials from refuse and to amend the types of materials recycled.

Internally, MCC has implemented the following waste reduction and recycling initiatives:

- ★ MCC discontinued the use of disposable cardboard boxes for internal moves and has purchased reusable moving crates.
- ★ MCC participates in recycling programs with vendors, including toner and BlackBerry recycling.

Procurement

MCC past year efforts to enhance its procurement practices include the following:

- ★ MCC converted its leased vehicle to an E85-fueled hybrid vehicle.
- ★ MCC completed an annual review and confirmed that 95% of contracts require the supply or use of products that are energy efficient.
- ★ MCC replenished office supplies and equipment with recycled and biodegradable products.
- ★ MCC implemented a 5-year equipment replacement cycle on contracts for copiers and its leased vehicle rather than a 3-year replacement cycle.

Goal Performance Review:

Goal 1: **Scope 1 & 2 Greenhouse Gas Reduction**

Scope 1: MCC does not own or control any significant sources of direct greenhouse gas emissions. MCC leases and operates one vehicle. Since FY 2010, this has been an E85-fueled hybrid vehicle. Therefore this goal does not apply and MCC has not established a Scope 1 emission reduction target.

Scope 2: MCC Scope 2 emissions derive from electricity use. MCC has undertaken efforts to reduce electricity consumption, as described herein, and will continue to engage in such efforts to include education and outreach activities to encourage staff participation in ongoing conservation activities. As a tenant in commercial buildings, MCC does not control decisions related to the design or upgrade of major building systems, such as HVAC and lighting. Additionally, electricity use in MCC buildings is centrally metered, and therefore MCC cannot directly measure electricity use. As a result, this goal does not apply and MCC has not established a Scope 2 emissions reduction target. Nonetheless, MCC has established a Scope 2 emissions baseline and will continue to track its Scope 2 emissions against the FY 2008 baseline, as presented below.

Table 4 - Annual Scope 2 Emissions

Fiscal Year	Electricity Used, (kWh)	
FY 2008	3,924,744	2039.3
FY 2009	3,945,421	2050.0
FY 2010	3,971,401	2063.5

Goal 2: **Scope 3 Greenhouse Gas Reduction & Develop and Maintain Agency Comprehensive Greenhouse Gas Inventory**

MCC Scope 3 emissions derive from staff commuting and airline travel. In FY 2010, MCC surveyed employee commuting habits and confirmed that the majority of staff commuting miles (53%) were via public transportation compared to (42%) via personal vehicles. However, given the inefficiency of commuting via personal vehicles, these commuting miles contributed disproportionately (66%) to overall commuter-derived GHG emissions compared to only (33%) for commuting miles via public transportation. The results of the Commuter Survey are presented below:

Table 5 - Commuter Survey Results

FY 2010	Commuter Travel				Total
	Personal Vehicles	Car/Van Pools	Mass Transit		
Commute Distance (miles/day)	3777.6	114.2	4757.5	317.4	8966.7
GHG (Emission/year)	325.4	4.9	163.8	0	494.3

In FY 2010, MCC also implemented a flexible work program that allows employees to work alternative work schedules or to telework. Such programs are expected to reduce staff commuting and, based on current and projected enrollment in such programs, MCC has established a 15% emission reduction target for Scope 3 emissions derived from staff commuting.

a. **Goal description**—MCC will seek to reduce Scope 3 emissions derived from staff commuting by 15% by 2020.

b. **Agency lead for goal**—The Division of Administrative Services and Human Resources within the Department of Administration and Finance acts as the agency lead for this goal.

c. **Implementation methods**—Participation in MCC flexible work programs reduces staff commuting. MCC will monitor participation in flexible work programs and will survey commuting habits and monitor and report performance against this target.

d. **Positions**—All work required to monitor progress and report on sustainability efforts will be integrated into performance plans of key staff members.

e. **Planning Table –**

Table 6 - Scope 3 GHG Targets (Commuting)

SCOPE 3 GHG TARGET	Units	FY 10	FY 12	FY 15	FY 20
Total Scope 3 GHG Emissions (Comprehensive)	MMTCO2e	2787.1	TBD	TBD	TBD
Total Scope 3 GHG Emissions (Subject to Agency Scope 3 GHG Reduction Target)	MMTCO2e	494.3	469.6	444.9	420.2
Agency Scope 3 Reduction Target, as defined by agency (reduced from FY 2010)	%	0	5	10	15

f. **Agency Status**—In FY 2011 MCC rolled out its Flexible Work Program and completed a commuter survey.

g. **Highlights**—MCC has implemented the Flexible Work Policy, and is working to promote and support bicycle commuters.

MCC's global operations require significant staff travel. MCC staff travel is fundamental to achievement of the agency mission and its fiduciary responsibility to ensure that compact funds are used effectively. Given the critical nature of its staff travel, MCC has not established a Scope 3 emissions reduction target for staff travel. Nonetheless, MCC will continue to explore opportunities to reduce staff travel and will continue to monitor and track staff travel against its FY 2008 baseline, as presented in the following table.

Table 7 - Annual MCC Scope 3 Emissions from Air Travel

Fiscal Year	Air Travel (miles)	
FY 2008	10,940,002	2,103.3
FY 2009	10,423,805	2,004.0
FY 2010	11,925,779	2,292.8

Agency Comprehensive Greenhouse Gas Inventory

In FY 2010 MCC developed an Agency Comprehensive Greenhouse Gas Inventory, including a FY 2008 baseline and FY 2009 and FY 2010 inventories. As described herein, MCC's GHG emissions derive primarily from Scope 2 emissions from electricity purchases (estimated based on its pro rata share of building space) and Scope 3 emissions from staff commuting and airline travel. In order to develop the Inventory, MCC also undertook a Commuter Survey, to establish commuting habits and enable the development of a footprint of commuter emissions. MCC will continue to monitoring its GHG emissions performance and will develop and report its annual Agency Comprehensive Greenhouse Gas Inventory. The results of the Comprehensive Greenhouse Gas Inventory are summarized in the *Table 8* below, in MT CO2e.

Table 8 - MCC Comprehensive Greenhouse Gas Inventory Results

Fiscal Year	Electricity Purchases	T&D Loses	Airline Travel	Employee Commuting	Wastewater Treatment	
FY 2008	2039.3	134.3	2103.3	410.1	1.3	4688.3
FY 2009	2050.0	135.0	2004.0	433.1	1.4	4623.5
FY 2010	2063.5	135.9	2292.8	494.3	1.6	4988.1

Goal 3: **High-Performance Sustainable Design / Green Buildings & Regional and Local Planning**

MCC is a small agency that occupies leased commercial office space in two adjacent buildings. Building management for MCC's current leased space has indicated that they have applied for the 2011 Energy Star rating. One of the facilities has also submitted an application for LEED certification. MCC works closely with the building management to track building improvements and assess opportunities to enhance environmental performance, including energy efficiency and waste reduction and recycling. MCC is committed to continue to engage with the building management to identify and implement cost effective programs to enhance its environmental performance. However, MCC does not control decisions related to building design, operation or upgrade. Therefore this goal does not apply.

In the coming months, MCC is undertaking a project to analyze office space utilization, future requirements, and optimal configurations. The analysis will incorporate the agency's mission-specific needs, including conferencing/training facilities and extensive IT services, as well as the adoption of the Flexible Work Policy and opportunities to integrate "hoteling" or "hot desking" of office space to optimize utilization and efficiency. MCC will analyze its current leases and review options for consolidating personnel and facilities in existing or future locations.

Goal 4: **Water Use Efficiency and Management**

As a tenant in commercial buildings, MCC does not control decisions related to the design or upgrade of major building systems, such as HVAC, water, and wastewater systems in its leased office space. As a result, this goal does not apply. Nonetheless, as part of their energy star and LEED application, MCC has confirmed that both facilities have installed low-flow fixtures to conserve water.

Goal 5: **Pollution Prevention and Waste Reduction**

MCC occupies leased commercial office space and building management of each building is responsible for waste collection and recycling. Therefore this goal does not apply. Nonetheless, MCC is committed to pollution prevention, waste elimination and recycling, and has taken steps to minimize waste and encourage conservation, as described elsewhere in this plan. To this end, MCC will continue to identify and implement cost effective opportunities, where relevant, to minimize waste, increase reuse, and encourage staff participation in recycling.

Late in FY 2009, MCC implemented new printer standards that eliminated use of cover sheets and required that all devices be set to duplex printing. These efforts were completed in early FY 2010. Table 9, below, highlights the significant and ongoing benefits of these efforts, including a 45% reduction in paper purchased from the FY 2008 baseline.

Table 9 - Annual MCC Paper Purchases

Fiscal Year	Reams of Paper Purchased
FY 2008	5,400
FY 2009	7,400
FY 2010	3,000

Goal 6: **Sustainable Acquisition**

A key step in improving MCC's environmental performance going forward is to understand and manage the environmental and social impacts related to the procurement of goods and services.

Goal description—MCC will ensure that a minimum of 95% of new contract actions, including task and delivery orders under new contracts and existing contracts, require the supply or use of products and services that are energy efficient (Energy Star or FEMP-designated), water efficient, biobased, environmentally preferable (excluding EPEAT-registered products), non-ozone depleting, contain recycled content, or are non-toxic or less toxic alternatives when applicable product categories are included/procured in the contract action.

MCC has generated and will update agency affirmative procurement plans (also known as green purchasing plans or environmentally preferable purchasing plans); policies and programs to ensure that all mandated federally designated products and services are included in all relevant acquisitions.

a. **Agency lead for goal**—The Division of Contracts and Grants Management within the Department of Administration and Finance acts as the agency lead for this goal.

b. **Implementation methods**—MCC Contracts and Grants Management will monitor and update Acquisition Instruction MCC 23-1 MCC Affirmative Procurement Program for Sustainable Acquisition to reflect any changes in product categories that might be applicable to MCC. Also, a training module to summarize the Acquisition Instruction will be made available to MCC CGM customers and CGM Contract Specialists and Contracting Officers.

   In addition, MCC Contracts and Grants Management will explore methods and revise invoicing clauses to encourage contractor use of electronic invoicing to reduce paper and waste associated with contractors using paper invoicing. Further, MCC Contracts and Grants Management will review and determine potential methods of encouraging COTRs to reduce contractor travel in favor of video teleconferencing (VTC) methods when practicable.

c. **Positions**—All work required to monitor progress and report on sustainability efforts will be accomplished as a collateral duty by MCC staff.

d. **Planning Table**—The information below was determined by a manual review of every new contract and task order awarded in the first two quarters of FY 2011. As MCC does not possess an automated contracting or procurement system, it was necessary to conduct the review in this way to determine whether the required FAR clauses were applicable. Through this review, it was found that MCC did not engage in any direct procurement of designated items above the micropurchase threshold, but there were instances when MCC did engage in service contracting where service contractors may procure designated items such as office products and paper products as other direct costs within the contract. For those cases, compliance was achieved with the inclusion of the relevant FAR clause to require the contractor to procure environmentally preferred products.

   As such, since MCC did not procure any of the below products above the micropurchase threshold directly, the only applicable category is Environmentally Preferable Services, as noted in Table 10 below.

Table 10—Contracts Sustainability Review

SUSTAINABLE ACQUISITION	Units	FY 10	FY 11	FY 12	FY 13	FY 14	
New Contract Actions Meeting Sustainable Acquisition Requirements	%	95%	95%	95%	95%	95%	95%
Environmentally Preferable Products/ Services (excluding EPEAT—EPEAT in included in Goal 7)	%	95%	95%	95%	95%	95%	95%

Table 11—Contract Overview

SUSTAINABLE ACQUISITION CONTRACT REVIEW	Q1 FY 11	Q2 FY 11	Q3 FY 11 (Planned)	Q4 FY 11 (Planned)
Total # Agency Contracts	32	73	80	80
Total # Contracts Eligible for Review	32	73	80	80
Total Contracts Eligible Contract Reviewed (i.e., 5% or more eligible based on previous OMB guidance)*	32	73	80	80
# of Compliant Contracts	32	73	80	80
Total % of Compliant Contracts	100%	100%	100%	100%

e. **Agency Status**—MCC developed MCC Acquisition Instruction MCC 23-1 MCC Affirmative Procurement Program for Sustainable Acquisition to formalize the agency's Affirmative Procurement Program. An overview and training were given to MCC Contracting Staff as well as made available on MCC SharePoint sites for review by COTRs and other MCC staff. MCC also conducted a thorough review of all new contracts and task orders in the first half of FY 2011 to determine and achieve compliance with the new affirmative procurement program.

f. **Highlights**—MCC has made significant progress in the area of sustainable acquisition. Key initiatives include:
   - ◊ FY 2011 - MCC converted its sole vehicle to a flex fuel hybrid.
   - ◊ FY 2010—Transitioned to purchase of green office supplies when available
   - ◊ FY 2009 - MCC converted to 100% post-consumer content paper.

Goal 7: **Electronic Stewardship and Data Centers**

MCC has adopted goals to promote pollution prevention and eliminate waste; promote electronic stewardship; and sustain environmental management where it applies to electronic stewardship and data centers. MCC's strategies and actions for improving data center performance are very different from its approach to electronic stewardship.

To meet the agency's electronic stewardship goals, MCC specifies that all new technology acquisitions specify energy star compliant hardware, where possible. MCC has instructed staff to turn equipment off when not in use and is reviewing the return on investment to implement proactive energy. Hardware virtualization and equipment configuration changes have resulted in minimizing energy consumption by inactive devices.

MCC will continue to identify and implement solutions to reduce the overall energy consumption of IT equipment. The agency will also evaluate hardware replacement cycles to ensure compliance with established technology replacement guidelines. In support, the agency will establish policies and procedures, provide training, and evaluate agency performance.

a. **Goal description**—MCC's goal is to reduce the carbon footprint of Information Technology (IT) through the virtualization and consolidation of IT software and systems and deployment of power efficient equipment.

b. **Agency lead for goal**—The OCIO within the AFis responsible for overseeing planning, prioritizing, developing, contracting, operating, and maintaining the Agency's information and communications technology resources.

c. **Implementation methods**—MCC has adopted goals to promote pollution prevention and eliminate waste; promote electronic stewardship; and sustain environmental management where it applies to electronic stewardship and data centers. Specific actions include:

- ◊ Video Conferencing—MCC will explore use of enhanced video conferencing capabilities. Such capabilities may reduce MCC air travel and may also facilitate more efficient telework, both of which may reduce greenhouse gas emissions. Video teleconferencing (VTC) tools are in some MCC's conference rooms; however the equipment is old, not configured in a manner that optimizes ease of use. Planned activities will look at the return on investment of replacing the VTC hardware and software installed in these areas and ensuring user adoption of the services through an extensive training program.
- ◊ Collaboration - The OCIO is investing in an upgrade of tools to support collaboration both within the agency and with our country partners. These tools provide key capabilities to include: document sharing, distance learning support, and virtual meetings through desktop and conference room video conferencing. Evaluation of additional features such as instant messaging is underway. The effective implementation of collaboration tools may contribute to an overall reduction in air travel and will support the agency's flexible work policy, both of which may reduce GHG emissions.
- ◊ Consolidation Resources: The OCIO has directed that virtualized servers be implemented whenever possible to meet hardware requirements. As a result of this directive 60% of MCC overall server infrastructure is virtualized. Looking forward the OCIO is seeking to minimize the overall data center footprint by utilizing cloud services whenever possible. A project is currently underway to transition agency SharePoint services to a hosted cloud infrastructure.
- ◊ Desktop Hardware: As part of the OCIO's acquisition strategy, specifications have been added to new contracts requiring that all new hardware be energy star compliant where available.
- ◊ Power Management: To ensure the security of MCC's network all systems must be routinely patched. This process is managed through a set of automated tools that support the use of "wake on LAN.". Wake on LAN is a technology that allows support personnel to power up laptops and desktops connected to the network for maintenance. While this change has resulted in a reduction in power usage, the OCIO is assessing the costs and benefits of implementing a managed power solution that would proactively power down equipment when not in use.
- ◊ User Education: Instruct staff to turn equipment off when not in use.

d. **Positions**—All work required to monitor progress and report on sustainability efforts will be accomplished as a collateral duty by MCC staff.

e. **Planning Table**—MCC is committed to deploying Energy Star and EPEAT certified solutions where applicable within the enterprise. The following tables demonstrate progress to date in meeting this commitment.

Table 12—Electronic Stewardship Compliance

GOAL7 - ELECTRONIC STEWARDSHIP			FY12		FY13		FY14	
	Count	%	Count	%	Count	%	Count	
Desktops covered by current Energy Star specifications that must be energy-star qualified	481	100%						
Laptops covered by current Energy Star specifications that must be energy-star qualified	203	100%						
Monitors covered by current Energy Star specifications that must be energy-star qualified	592	100%						
Printers covered by current Energy Star specifications that must be energy-star qualified	184	100%						
Eligible electronic products with power management and other energy-environmentally preferable features (duplex) actively implemented and in use	1460	100%						

Table 13 - Data Center Conformance to Sustainability Goals

GOAL 7 - DATA CENTERS	Target	FY11	FY12	FY13	
Servers utilizing virtualization technology (percentage of applicable devices)	100%	60%			
Covered electronic product acquisitions that are EPEAT- registered	100%	70%			
Data centers operating with an average CPU utilization of 60-70% for Virtual Infrastructure	2	0%			
Cloud Services	1	0%			
Electronic assets covered by sound disposition practices	100%	100%			

f. **Agency Status**—MCC is in the process of transitioning its data center services to a new hosting provider. As part of this migration applications are being evaluated for migration to cloud services.

g. **Highlights—**The percentage of virtualized IT infrastructure servers has increased by over 50% and all desktops, laptops and monitors are energy star compliant. MCC has implemented power management solutions to allow IT staff to ensure compliance with MCC's energy management goals and is assessing solutions to implement managed power.

Goal 8: **Agency Innovation & Government-Wide Support**

MCC strongly supports Executive Order 13514, "Federal Leadership in Environmental, Energy, and Economic Performance" and its goal is "to establish an integrated strategy towards sustainability in the Federal Government and to make reduction of greenhouse gas emissions (GHG) a priority for Federal agencies." Throughout this report, MCC has highlighted it ongoing efforts to enhance the sustainability of its domestic operations and to monitor and report on its greenhouse gas emissions.

MCC is committed to putting our principles into practice with an emphasis on innovation, both at home and abroad. MCC is committed to selecting country partners based on proven policy performance, country-led planning and implementation, and managing our portfolio to ensure sustainability, transparency and results. This rigorous, integrated and open approach to development sets the standard for accountable and truly innovative development assistance. With this model as a foundation, further "innovation" for MCC means something very simple: a constant push to learn from our experiences and to try new approaches that can enhance the impact and sustainability of our investments.

For example, in Mongolia, MCC designed an original project promoting clean energy to improve the quality of life. Ulaanbaatar, the coldest capital city in the world, also experiences some of the worst winter air pollution in the world. This pollution is due in large part to the coal-fired heating and cooking stoves in traditional "gers" (circular felt dwellings), which emit a toxic brew that causes smog from thousands of chimneys dotting the city's skyline. Mongolia's energy and environment project, one component of the MCC compact with Mongolia, addresses urban air pollution in part through the Millennium Challenge Energy Efficiency Innovation Facility (MCEEIF). The MCEEIF provides consumer subsidies toward the purchase of energy-efficient and lower emissions technologies such as stoves, insulation, boilers and heaters that have been certified through a product review process. The process includes efficiency and emissions testing, cost-benefit analysis and market analysis.

In contrast to previous donation programs, which offered such equipment for free, the MCC-funded project employs market-based solutions and significant financial incentives to accelerate the adoption of proven technologies and to contribute to a sustainable market for energy efficient and lower-emissions technologies.

Agency Self Evaluation

Does your Sustainability Plan incorporate and align sustainability goals, GHG targets and overarching objectives for sustainability with the Agency Strategic Plan?	Yes
Does it provide annual targets, strategies and approaches for achieving the 2015 and 2020 goals?	Yes
Is the Sustainability Plan consistent with the FY 2012 President's Budget?	Yes
Does the Sustainability Plan integrate all statutory and Executive Order requirements into a single implementation framework for advancing sustainability goals along with existing mission and management goals, making the best use of existing and available resources?	Yes
Does your plan include methods for obtaining data needed to measure progress, evaluate results, and improve performance?	Yes

Appendix 1:
Agency Climate Change Adaptation Policy Statement

The Millennium Challenge Corporation (MCC) is an innovative and independent U.S. foreign aid agency that is helping to lead the fight against global poverty. Created by the U.S. Congress in January 2004, MCC is changing the conversation on how best to deliver smart U.S. foreign assistance by focusing on good policies, country ownership, and results.

MCC strongly supports the goals of Executive Order (EO) 13514 and is committed to complying with all applicable environmental and energy statutes, regulations, and EOs. MCC recognizes that the pursuit of sustainable economic growth and a healthy environment are necessarily related, and that climate change adaptation is a critical complement to climate change mitigation. Environmental stewardship and a focus on economic justification for MCC programs are fundamental to the agency's operational approach and commitment to sustainability. In developing its EO 13514 Sustainability Plan, MCC is committed to a program of continuous improvement. In addition, MCC, exercising its own authority, will include climate change adaptation as appropriate in its consideration of overseas projects and operations.

Daniel W. Yohannes
Chief Executive Officer