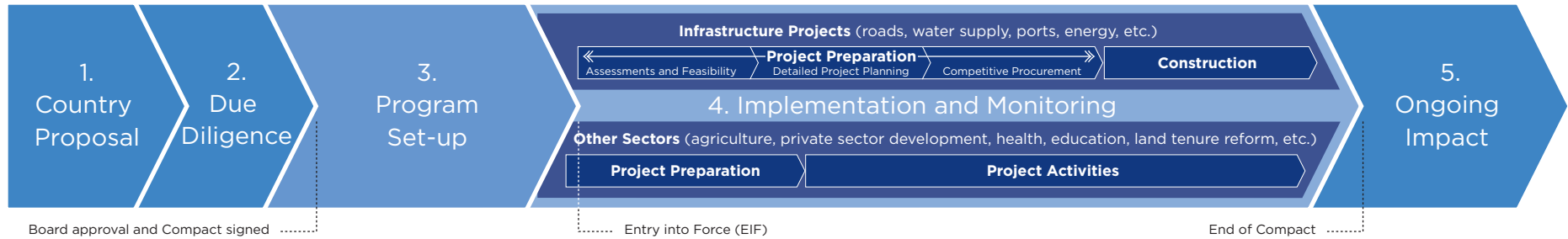




The MCC Program Cycle



1. Country Proposal

Countries submit to MCC proposals that support economic growth and poverty reduction. MCC requires that proposals be based on analysis of primary constraints to growth and on consultation with civil society. MCC provides guidance on proposal development, including the parameters of a sound proposal and MCC policies on environmental protection, gender integration, etc.

2. Due Diligence

MCC conducts analysis of project viability, and works with partner countries to refine proposed projects.

Infrastructure projects: completion of pre-feasibility studies; preliminary engineering, cost estimates, and economic and financial analyses; assessment of environmental and social impact. (4 to 12 months)

Other sectors: initial project design, budgets, and monitoring and evaluation frameworks; environmental and social assessments

3. Program Set-Up

Partner country entities (MCAs) establish implementation structures and procedures before program activities begin. This includes: hiring MCA staff; signing agreements with fiscal and procurement agents; developing agreements with implementing entities; establishing banking and legal agreements; ratification of the compact; pursuing policy reform necessary for program implementation; preparing terms of reference for first procurements; and developing work plans and procurement plans. In addition:

Infrastructure projects: initiation of comprehensive feasibility/design studies; environmental impact assessments; initial assessment of the need to acquire land and conduct resettlement. (6 to 18 months)

Other sectors: detailed project planning; environmental and social impact mitigation measures; establishment of program management units.

4. Implementation and Monitoring

This phase includes both project preparation and project execution. MCAs are responsible for implementation. MCC conducts ongoing oversight and performance monitoring. MCC and MCAs measure process milestones and interim benchmarks towards achieving compact goals. MCC conducts impact evaluations to measure the changes in income and poverty attributable to the program.

Project Preparation

Infrastructure projects: 3 distinct technical steps

1. Assessments and feasibility: completion of feasibility studies to determine project parameters and design; plans to mitigate environmental and social impacts. (6 to 12 months)
2. Detailed project planning and design: specific bid preparation; direction to construction contractors through detailed drawings and specifications; implementation of resettlement action plan and environmental management plan as needed. (9 to 24 months)
3. Competitive procurement: internationally competitive bidding for construction; bid evaluation by partner country evaluation panels. (6 to 9 months)

Other projects: training; collecting baseline data; public outreach; selecting beneficiaries or target area and revising project methodology accordingly; procurement; contracting of project managers; project pilots.

Project Execution

Project activities ramp up and substantial disbursements occur. Project execution begins and ends at different times in the compact. For all projects, monitoring and evaluation continues, even after a given activity is complete.

Infrastructure projects: construction. (2 to 3 years)

Other projects: implementation of project activities; implementing entities and project managers work with beneficiaries; technical assistance; ongoing consultation with stakeholders; promoting necessary policy reform; etc.

5. Ongoing Impact

Many of the economic growth and poverty reduction benefits of MCC compacts continue to develop beyond the five-year compact life. For example, farmer incomes will increase as they continue to apply techniques learned in agriculture projects, link to markets via new or rehabilitated roads, benefit from improved irrigation systems, and gain access to credit afforded by registered land rights. These effects take time to emerge, but are the lasting impacts of MCC-funded programs.