

Chapter 31:

# Overview of Mobilization and Start-Up Phase



REDUCING POVERTY THROUGH GROWTH



## Overview Phase 3: Mobilization and Start up

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After the “Due Diligence and Program Refinement” stage and prior to “In-country Program and Project Activity,” efforts shift to establishing the Accountable Entity (“AE”) which will be responsible for the implementation of the Compact activities, developing the proper systems for financial control and oversight, finalizing the legal documentation requirements, and concluding detailed project planning.

### Establishing the Accountable Entity

The AE is the entity responsible for the daily management, operation, coordination, implementation, and monitoring and evaluation of the Compact. The structure of the AE should be based on country-specific and program-specific requirements. The country should decide what type of entity would best advance the goals of government accountability, transparency, efficiency and operational capability, as well as the inclusion of stakeholders during the implementation of the Compact’s activities. Typically, the Accountable Entity has a two-tier structure: a Supervisory Board (also known variously as a Board of Directors, a Steering Committee, or a Governing Council) and a Management Team (also known variously as a Technical Secretariat or a Project Management Unit). There should be a clear delineation of functions and responsibilities between the Supervisory Board and the Management Team ( and any potential stakeholder committee(s)).

The AE develops, and carries out, all plans for the implementation of the Compact’s activities including Financial Plans, Procurement Plans, the Monitoring & Evaluation (M&E) Plan, the Fiscal Accountability Plan, Work Plans (including Detailed Budget) as well as any Audit Plan. It is responsible for the preparation and review of reports regarding finances, accounting, M&E, procurements, and performance. The AE is required to maintain accounting records, and develop and maintain management information systems, including data collection, monitoring and reporting systems and the AE’s website. Finally, the AE provides valuable advice and recommendations to the Board.

The staff required for implementation may be those who served on the Compact development team, other government officials, or new hires with appropriate

experience. Many of the duties of the country core team may be carried through into the Implementation phase. The key to recruiting staff during this phase is to conduct a system for recruitment that is transparent and fair, resulting in the selection of the best qualified to implement Compact activities. Staffing ultimately depends on size of the Compact and number of programs and project activities, but typically includes the following positions:

- General Director (or CEO)
- Deputy Director
- Administration and Finance Director (Chief Financial Officer)
- Monitoring & Evaluation Director
- Procurement Director
- Communications/Public Outreach Director
- Environmental and Social Impact Director
- Project-Specific Directors (usually one for each project, but flexible)
- General Counsel

Developing administrative policies and procedures within the Accountable Entity is an important task during this pre-implementation phase. Translating the various agreements into policies, procedures, and practices is critical. The project staff and staff of the fiscal and procurement agents should work together to ensure that there is a clear understanding of how the procurement and financial policies are to be carried out within the organization and in concert with MCC.

### **Mobilization of Fiscal and Procurement Agents**

Mobilization of fiscal and procurement agents, and signing of requisite agreements as necessary, will typically occur during this start-up phase (unless completed earlier). Contracts between the AE and the firm(s) selected as agents will typically be executed. The Fiscal and Procurement Agents will deploy staff to the field to begin work with the AE. The fiscal and procurement agents will be required to establish the financial

and reporting systems, develop standard bidding documents, and begin work on any procurement activities as may be required prior to entry-into-force of the Compact.

### **Finalizing Legal Documentation**

During this Mobilization and Start-up phase, the MCC legal team and the country legal counsel finalize all legal documentation to provide for Compact Entry-into-Force. Typically, this documentation consists of the following:

- Governance Agreement
- Disbursement Agreement
- Procurement Agreement
- Fiscal Agent Agreement
- Procurement Agent Agreement
- Bank Agreement
- Various certificates evidencing the fulfillment of various domestic legal requirements

These documents are required to give the full legal effect to the Compact and to lay the foundations for how procurements and finances are to be managed. The documents also describe in detail how the AE will be structured and managed.

### **Detailed Project Planning**

Concluding detailed project planning is one of the most critical activities to occur in the phase between “Due Diligence and Program Refinement” stage and prior to “Implementation”. While implementation planning will have begun in earnest earlier in the process, it is at this time that the country team finalizes work plans. Project development staff should develop work plans for Compact activities, with assistance provided by MCC staff. Typically, work plans need to be well developed for the first quarter of project activity, but span the first year of implementation. In addition to work plans, AE staff develops Terms of Reference for feasibility studies, environmental impact assessments, and strategic environmental assessments. Procurement plans

and disbursement requests are also created to map out the steps and timelines required for procurement actions.