



MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

QUARTERLY STATUS REPORT



Indonesia Compact

AS OF JUNE 2012

COMPACT GOAL

The MCC compact with Indonesia includes three projects. The Green Prosperity Project aims to increase productivity in rural areas by expanding access to renewable energy and improving land use practices to support low carbon economic development, protection of natural capital, and increased household incomes. The Community-Based Nutrition Project is intended to reduce and prevent low birth weight, childhood stunting, child malnourishment, and increase household income through cost savings, productivity growth and higher lifetime earnings. Finally, the Procurement Modernization project aims to achieve significant government expenditure savings on procured goods and services, while assuring their quality satisfies the public need, and to achieve the delivery of public services as planned.



■ Project Preparation ■ Project Implementation

COMPACT AT A GLANCE

Eligibility Notification.....	12-11-2008
Constraints Analysis.....	10-15-2009
Concept Paper Received.....	06-16-2010
CN on Intent to Negotiate.....	07-08-2011
Board Approval.....	09-28-2011
CN on Intent to Sign Compact.....	10-20-2011
Compact Signed.....	11-19-2011

Eligibility Notification	
12-11-2008	On December 11, 2008, Indonesia was selected as eligible for a Millennium Challenge Corporation Compact by MCC's Board of Directors.
Constraints Analysis	
10-15-2009	The Asian Development Bank, International Labor Organization, and Islamic Development Bank conducted an economic constraints analysis for Indonesia which identified infrastructure, governance and education as key constraints to economic growth in the country and called for the "greening" of economic growth and poverty reduction initiatives.
Concept Paper Received	
06-16-2010	Regional and national public consultations around the MCC approach and project concepts took place in February and March 2010. This process resulted in the submission of 388 project concepts. In June 2010, the Government of Indonesia submitted 13 concept papers to MCC.
CN on Intent to Negotiate	
07-08-2011	The Congressional Notification was submitted on July 8, 2011.
Board Approval	
09-28-2011	MCC's Board of Directors approved a five-year, \$600 million compact with the Government of Indonesia.

CN on Intent to Sign Compact	
10-20-2011	The Congressional Notification was submitted on October 20, 2011.
Compact Signed	
11-19-2011	The compact was signed on November 19, 2011 in Bali by the MCC Board Chair, Secretary of State Hillary Clinton and Indonesian Minister of Finance Agus Martowardojo.

Nearly 20 MCC staff and consultants visited Indonesia this summer to continue project design work and to set the stage for negotiations of the Program Implementation Agreement (PIA). The PIA is a major milestone for Entry-into-Force (EIF) of the MCC compact.

Finance Minister Agus Martowardojo has signed a decree to provide the budget authority and tax relief mechanisms for MCA-Indonesia. This is the third of three decrees promulgated to support the mechanism for compact implementation.

The MCA-Indonesia Board of Trustees will consist of 7 members. The selection process for the three non-government members of the Board of Trustees is nearing completion. The four government members of the Board of Trustees will be Bappenas Vice Minister Lukita Tuwo as Chair; the Director General of Debt Management of MOF; the Director General for PMD of the Ministry of Home Affairs; and the Deputy Minister for Development Funding of Bappenas.

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