




## CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

We wish to inform you that the Millennium Challenge Corporation intends to obligate up to \$3,550,000 to facilitate the development and implementation of a Millennium Challenge Compact with the Government of the Republic of the Philippines.

The attached notification is being sent to the Congress on January 28, 2010. Obligation of funds may be incurred on or after 15 days from the date of this notification.

Sincerely,



James Mazarella  
Vice President (Acting)  
Congressional and Public Affairs

Enclosure:  
As stated

**MILLENNIUM CHALLENGE CORPORATION  
CONGRESSIONAL NOTIFICATION**

January 28, 2010

PROGRAM: Eligible Countries  
APPROPRIATIONS CATEGORY: FY 2010 Program Funds  
OBLIGATION AMOUNT: \$3,550,000

Pursuant to section 7015(c) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2010 (Pub. L. 111-117, Division F), this is to advise that the Millennium Challenge Corporation (“MCC”) intends to obligate up to \$3,550,000 under section 609(g) of the Millennium Challenge Act of 2003, as amended, for the purpose of facilitating the development and implementation of a Millennium Challenge Compact (“Compact”) with the Government of the Republic of the Philippines.

MCC funding will be used to cover costs of Compact development and early implementation activities of the Philippines. These costs are expected to include early administrative costs for the accountable entity, fees for approximately the first year for fiscal agent and procurement agent services for the accountable entity, and capacity building to promote honesty and fairness in the award and performance of Compact-funded procurements.

MCC expects that MCC funding will facilitate detailed implementation planning and mobilization before the Compact is signed, thereby supporting a seamless and timely transition from Compact development to Compact implementation.

**SUPPLEMENTAL INFORMATION**  
**MCC / Philippines 609(g) Request**

**Justification**

To limit the duration between Compact signing and Entry into Force, the GRP requests 609(g) funding for the following activities which will facilitate implementation preparations for the Philippines Compact.

**A. Procurement Agent Services (\$1.5 million)**

This funding will provide a budget for the initial year of the procurement agent services. The subsequent option years for the procurement agent will be financed out of the Compact. The procurement agent procurement process began January 11, 2010 with the expectation that the Agent will be mobilized by the end of Q2 of FY10. Prior to entry into force of the compact, the procurement agent will assist MCA-Philippines in developing the Compact procurement strategy and to prepare the initial procurement plan listing all procurements to commence within the first six months of the Compact, develop procurement implementation plans for each procurement, draft the Procurement Operations Manual, prepare procurement documents, and launch the first procurements.

**B. Procurement Capacity Building (\$250,000)**

This activity is designed to support two programs to promote honesty and fairness in the award and performance of compact funded procurements. First, the funding will support setting up a Bid Challenge System as required by the MCC Program Procurement Guidelines. Second, the funds will provide a training program in identifying and preventing procurement fraud.

**C. Fiscal Agent Services (\$1.5 million)**

The requested 609(g) funds will pay for the Fiscal Agent mobilization and preparatory work for the implementation of the activities described in the proposed Compact. The proposed budget will cover base year fees for the agent. The fiscal agent procurement process began January 11, 2010 with the expectation that the Agent will be mobilized by the end of Q2 of FY10. Prior to entry into force, the Agent will be expected to prepare the Fiscal Accountability Plan and have a fully operational automated financial accounting system.

This early engagement of the Fiscal Agent will facilitate Compact implementation by ensuring that the MCA Accountable Entity develops its organizational policies, procedures, and internal controls.

**D. Accountable Entity (AE) Implementation Costs (\$300,000)**

The funding will provide a budget for Accountable Entity implementation costs up to compact signing and will be used primarily to pay for recruitment firm fees, salaries for key personnel, outside legal counsel, and other miscellaneous costs associated with establishing the AE offices.