



**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

<b>Eligibility Notification</b>	
12-11-2008	On December 11, 2008, Indonesia was selected as eligible for a Millennium Challenge Corporation Compact by MCC's Board of Directors.
<b>Constraints Analysis</b>	
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.
<b>Concept Paper Received</b>	
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.
<b>CN on Intent to Negotiate</b>	
07-08-2011	The Congressional Notification was submitted on July 8, 2011.
<b>Board Approval</b>	
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.

The Program Implementation Agreement (PIA) was signed in Washington on September 19, 2012. The PIA is a major milestone towards Entry-into-Force (EIF) of the MCC compact and was lauded by Secretary of State Hillary Clinton and Foreign Minister Marty Natalegawa during the U.S. Indonesia Comprehensive Partnership meetings as important progress for the compact, a pillar of our bilateral cooperation.

The MCA-Indonesia Board of Trustees held its first meeting on August 31, 2012. The Board consists of 7 distinguished members, representing government (Bappenas, Ministry of Finance and Ministry of Home Affairs) and civil society (private sector, NGOs and academia). The board has laid out an ambitious program of activities for the coming months as preparations for compact implementation continue.

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.

2012-002-1027-04