



## Millennium Challenge Corporation

Reducing Poverty Through Growth

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September 30, 2004

### MEMORANDUM

**FOR:** Chief Executive Officer, Millennium Challenge Corporation, Paul V. Applegarth

**FROM:** USAID Office of Inspector General, Assistant Inspector General for the Millennium Challenge Corporation, Henry L. Barrett /s/

**SUBJECT:** Review of the Millennium Challenge Corporation's Progress in Achieving Its Planned Organizational Structure and Beginning Its Assistance Programs As of August 31, 2004  
(Report No. M-000-04-001-S)

This is our final report on the subject review. In finalizing the report, we considered your comments on our draft report and included those comments, in their entirety, in Appendix II of this report.

There are no recommendations in this report.

I appreciate the cooperation and courtesy extended to my staff during the review.

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## Background

In March 2002, President Bush called for a new compact for global development, defined by new accountability for both rich and poor nations alike. Greater contributions from developed nations must be linked to greater responsibility from developing nations. The President pledged that the United States would lead by example and increase its core development assistance by 50 percent over the next three years, resulting in a \$5 billion increase by fiscal year 2006. These funds would go into a new Millennium Challenge Account (MCA). Because sound policies are an essential condition of development, the President announced that the MCA will be devoted to projects in nations that govern justly, invest in their people and encourage economic freedom.

On January 23, 2004, the Millennium Challenge Corporation (MCC) was established by the Millennium Challenge Act of 2003 (Act)<sup>1</sup> to administer the Millennium Challenge Account. The MCC is a new government corporation designed to support innovative strategies and to ensure accountability for measurable results. MCC is designed to make maximum use of flexible authorities to optimize efficiency in contracting, program implementation, and personnel. It is supervised by a Board of Directors composed of the Secretaries of State and Treasury, the U.S. Trade Representative, the Administrator of the U.S. Agency for International Development, the Chief Executive Officer of the Corporation and four public members appointed by the President with the advice and consent of the Senate. The Secretary of State is the Chairman of the Board.

The Act envisions selecting countries eligible to receive assistance within a group of candidate countries. Candidate countries for fiscal years 2004 and 2005 are lower income countries—based on World Bank per capita income guidelines (\$1415 in fiscal year 2004)—which are not otherwise prohibited from receiving assistance under U.S. law. For fiscal year 2006, the group of candidate countries is expanded to include lower middle income countries, although no more than 25 percent of the funding available may be given to such countries. Eligible countries are selected by the MCC's Board of Directors based on the candidate countries' relative rankings against each other and against objective indicators of the countries' past and current policy

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<sup>1</sup> The Millennium Challenge Act of 2003 is Part D, Title VI of Public Law 108-199—The Consolidated Appropriations Act of 2004.

performance in the areas of ruling justly, encouraging economic freedom, and investing in people.

For its initial year of operations, MCC received an appropriation of \$994 million. For fiscal year 2005, it has requested \$2.5 billion.

At its first meeting on February 2, 2004, the MCC Board approved a list of 63 candidate countries for fiscal year 2004 and on May 6 it selected 16 of those countries as eligible to submit proposals for assistance under fiscal year 2004 funding. On July 20, 2004, the MCC Board named 70 countries as candidates to compete for fiscal year 2005 MCA assistance.<sup>2</sup>

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## **Review Objectives**

Recognizing that the Millennium Challenge Corporation (MCC) is still in the development stage of its operations, the purpose of our review was to assess and report on the current status of the MCC from its beginning in terms of achieving its planned organizational structure, developing its compact development process, and complying with the Millennium Challenge Act of 2003 and other applicable laws and regulations.

Appendix I contains a discussion on the review's scope and methodology.

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## **Review Findings**

### **What progress has the Millennium Challenge Corporation made in achieving its planned organizational structure?**

The MCC has made significant progress in achieving its planned organizational structure. In the short period of time since its inception, MCC has filled key positions, staffed a skilled workforce to begin its operations and established the offices that it believes will be needed to administer assistance. Additionally, MCC has developed a draft staffing plan that details the number of staff anticipated in each office up to December 2005, the point at which it presently expects to be fully staffed.

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<sup>2</sup> MCC's website ([www.mca.gov](http://www.mca.gov)) identifies the candidate countries for fiscal years 2004 and 2005 as well as the eligible countries for fiscal year 2004. The 16 countries eligible for fiscal year 2004 are: Armenia, Benin, Bolivia, Cape Verde, Georgia, Ghana, Honduras, Lesotho, Madagascar, Mali, Mongolia, Mozambique, Nicaragua, Senegal, Sri Lanka and Vanuatu.

MCC has established an organizational structure consisting of the Chief Executive Officer and eight Vice Presidencies: (1) General Counsel, (2) Administration and Finance, (3) Country Relations, (4) Markets and Sector Assessments, (5) Domestic Relations, (6) Monitoring and Evaluation, (7) Development Policy and (8) International Relations. (See Appendix III for a description of each office.)

As shown in the table below, as of August 31, 2004, MCC had 57 employees on board (47 U.S. direct hires, 8 contractors and 2 detailees). By December 2005, MCC planned to reach its full staffing level of 222 U.S. positions.

**Table 1:  
MCC's Current and Projected Number of  
Staff Positions through December 2005**

<b>Office</b>	<b>Current Staffing</b>	<b>Full Staffing Dec. 05</b>
Chief Executive Officer	5	11
General Counsel	6	11
Administration and Finance	14	23
Country Relations	15	95
Markets and Sector Assessments	6	38
Domestic Relations	5	13
Monitoring and Evaluation	3	16
Development Policy	2	7
International Relations	1	8
<b>Totals</b>	<b>57</b>	<b>222</b>

MCC provided details showing the breakdown of the 222 positions as 212 U.S. direct hires, 8 contractors, and 2 detailees. MCC explained that the target of 222 is based on the perceived staffing needs of each of its offices, assuming MCC will be working in 30 countries by fiscal year 2006. MCC further explained that 20 of the U.S. direct hire positions will be located overseas to provide an on-the-ground presence to oversee the activities in the 30 countries. It further stated that it envisions hiring an unspecified number of Foreign Service National (FSN) personal service contractors to assist the U.S. employee staff overseas. The FSN staff are to be in addition to the 222 U.S. positions mentioned above.

According to MCC, it has agreements in principle with the Office of Management and Budget (OMB) and Congress to limit its U.S. direct hire staffing to 200. When questioned how the above-mentioned 212 U.S. direct hire positions reconciles with its agreements with OMB and the Hill to limit its U.S. direct hire staffing to 200, MCC officials stated they had a commitment to “manage down” to 200. On the other hand, MCC officials noted that the 200 U.S. direct hire figure is just their best guess of what will be needed given what they know to date. They stated that a year from now MCC will have a better idea on the number of staff it really needs.

MCC recognizes that even with 222 plus positions it will be thinly staffed to oversee an assistance program that is expected to reach \$5 billion a year (less the amount used for operations). We note that \$5 billion a year for 30 countries averages out to approximately \$167 million per country per year—a very significant amount of money which we believe will require close oversight. MCC is aware of the challenge it faces in ensuring adequate oversight of its assistance programs and intends to contract for whatever support its core staff needs to maintain a proper level of oversight.

### **What is the status of the Millennium Challenge Corporation’s compact development process?**

Prior to the MCC Board’s selection of 16 eligible countries for MCA assistance in fiscal year 2004, MCC posted guidance on its website to assist the countries in developing country proposals. In subsequent initial trips to the countries in May and June, MCC invited each country to submit a proposal, discussed the guidelines for compact proposal preparation, and explained MCC’s focus in evaluating initial proposals. Since the initial trips, MCC generally has stayed abreast of the countries’ proposal development efforts through various communication channels, including follow-up trips to a number of the countries.

MCC records indicated that by the end of August 2004 it had received initial MCC program proposals from three countries and had received “concept papers” from six additional countries.<sup>3</sup> The same records indicated that MCC expected to receive proposals or concept papers from an additional four countries during September

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<sup>3</sup> MCC encourages countries to informally submit concept papers, outlines or other documentation for guidance and feedback from MCC prior to submitting an initial proposal for MCC assistance. The quality and substance of these concept papers has varied widely. MCC considered these submissions as initial steps in what likely will be an iterative process.

and through the beginning of October. The remaining three countries were listed as “TBD” (To Be Determined).<sup>4</sup>

For the two most developed proposals, MCC has sent technical teams on follow-up visits to perform initial assessments before making a decision on beginning a formal due diligence process.<sup>5</sup> MCC was also developing an internal procedures document outlining the steps it might take and documents it might prepare during the major stages of MCC compact development: proposal development, initial due diligence, compact negotiation, and compact implementation. While the draft document had not been approved as of August 31, 2004, we are including a chart illustrating MCC’s preliminary thinking. (See Appendix IV.)

One of the issues that MCC is well aware of and will need to deal with going forward is its funds allocation process. MCC’s fiscal year 2004 appropriation is about \$1 billion and early indications are that program proposals will come in for much more than that amount. For instance, MCC records indicated that 5 of the prospective 16 submissions received thus far included dollar estimates that already amount to about \$1.6 billion. While MCC has made clear to the countries that being an eligible country is no guarantee of receiving assistance, it would seem a challenge to devise an approach to allocating the funds.

MCC representatives told us that they expected most of the same countries to be eligible to receive assistance under both fiscal year 2004 and 2005 funding. Given the anticipated availability of fiscal year 2005 funding and the time it will take to develop and negotiate the assistance programs currently being developed by the eligible countries, MCC was hopeful that the funds allocation issue would be a manageable one.

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<sup>4</sup> MCC considered the details on the stage of development of the countries’ proposals and the proposals’ preliminary content and dollar estimates to be business confidential information. At MCC’s request, we have excluded such information from our report.

<sup>5</sup> Due diligence refers to the appraisal process MCC plans to follow to support the development of a country’s proposal and ultimately ensure that compacts supported are a sound investment of U.S. taxpayer funds.

**What progress has the Millennium Challenge Corporation made in complying with the Millennium Challenge Act of 2003 and other applicable Federal laws and regulations?**

The Millennium Challenge Corporation (MCC) is making progress towards complying with the Millennium Challenge Act of 2003 (Act). At the time of our review, MCC staff were still in the process of assessing the applicability of other laws to its operations and determining and developing regulations it plans to follow for its administrative and operational functions.

Below is a discussion of our review observations regarding the MCC's compliance with the Act as well as with other laws and regulations.

**Act Authorities and Requirements**

The Act has a number of authorities and requirements which instruct the MCC on how to organize itself, identify countries that are candidates for assistance, select countries eligible to submit assistance proposals, administer assistance to the countries, enter into agreements with the countries, as well as other provisions and requirements on reporting and coordination with government entities.

In accordance with the Act, the MCC has made progress in complying with the Act by taking the following actions, among others:

- The MCC has been established and its Board of Directors is in operation with the designated Government officers in place as well as the Chief Executive Officer and two public members. Two further public members remain to be selected to bring the Board to full strength.
- MCC identified candidate countries for fiscal years 2004 and 2005.
- The Board selected eligible countries for fiscal year 2004.
- MCC made proper notifications to Congress on its selections of candidate and eligible countries.

- The Acting CEO of the MCC met and consulted with appropriate congressional committees on the extent to which candidate countries met the eligibility criteria.
- MCC held public meetings on the selection criteria and methodology used for determining the eligibility of candidate countries.
- The MCC has a legal opinion from its Office of the General Counsel concerning the manner in which its obligations shall be incurred and its expenses allowed and paid.
- The Board of Directors authorized MCC to enter into an interagency agreement with USAID for up to \$40 million to assist certain candidate countries, referred to as threshold countries,<sup>6</sup> to improve their performance against the selection criteria.

All of the above actions were in accordance with the authorities and requirements of the Act. The only matter we considered to be a possible exception was that the pay rate for the services of the Board's public members did not include Washington D.C.-based locality pay. The Act indicates that public members should receive the highest rate payable to government general schedule employees,<sup>7</sup> which the MCC correctly determined to be "GS-15, step 10." However, we noted that the public members were not being paid at a scale which included the Washington D.C.-based locality pay. Since the Board is headquartered in Washington, D.C., MCC should determine if the public members are entitled to the Washington, D.C. rate.

### **Other Federal Laws and Regulations**

The Millennium Challenge Corporation is subject to the Government Corporation Control Act. That Act requires the head of the Corporation to submit an annual management report to Congress which includes audited financial statements and a statement on internal accounting and administrative control systems consistent with the Federal Managers' Financial Integrity Act of 1982.

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<sup>6</sup> Threshold countries are ones that just missed being determined eligible to receive MCA assistance but demonstrate a commitment to improving policy reform.

<sup>7</sup> The Act states that the public members shall be paid at the daily equivalent of the highest rate payable under section 5332 of Title 5 USC which specifies the General Schedule pay requirements.

According to MCC officials, the MCC is partially or wholly exempt from some other laws to which most government agencies are subject. Specifically, information provided by MCC officials indicates that the Corporation does not have to comply with the Prompt Payment Act. MCC officials also stated that the Corporation is partially exempt from the following laws:

- The Chief Financial Officers Act of 1990, except for the chapter that deals with the budget process;
- The Government Management Reform Act of 1994, except for the direct deposit requirement and the requirements which deal with the financial reporting and accounting system as implemented by the U.S. Treasury, and
- The Federal Financial Management Improvement Act of 1986, with the exception of the requirements which deal with financial reporting and accounting systems as implemented by the U.S. Treasury.

According to MCC officials, if a law does not specifically state that it applies to a government corporation, the MCC is not required to comply. We will continue to review the laws mentioned above to confirm that MCC is not subject to them and to determine what is required to comply with the sections which are applicable to the MCC. Also, the MCC is continuing to review the laws mentioned above to determine applicability.

**Federal Regulations** - Along with laws, we inquired about government regulations MCC plans to follow. Most U.S. government agencies are required to follow Federal regulations concerning personnel practices, procurement of goods and services, and travel related matters. Currently, the MCC is following several Federal regulations such as Federal Acquisition Regulations for procurement, Federal Travel Regulations for travel, and Office of Personnel Management regulations for personnel related matters. However, the MCC plans to write its own policies and procedures for the above regulations to reflect the flexibility that it has under the Act. The MCC also plans to write its own security program and employee bonus policies. Further, the MCC has already written and implemented two policies that cover Government Leased Vehicles and Entertainment and Representation Funds.

During our review of personnel regulations being followed by MCC, we noted two instances of special benefits, “Recruitment, Retention, Relocation Benefits,” (amounting to \$37,500) being paid to two MCC employees. While MCC believed that payment of these benefits fell within the authority of the Act, it did not maintain documentation to support the rationale for the payments and the amounts. MCC acknowledged that it should have maintained documentation to support the payments.

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**Management  
Comments and  
Our Evaluation**

MCC provided written comments to our draft report that are included in their entirety in Appendix II. In its response, MCC presented updated information on its planned U.S. positions when it reaches its full staffing level in December 2005. It also provided expanded/revised descriptions of the responsibilities of certain of its offices. MCC further commented that in the area of laws and regulations our draft report should have focused on laws that apply to MCC—not laws that do not apply—but stated that it has chosen to adopt certain laws and OMB policy because the laws and regulations make good business sense. MCC also suggested various edits to the draft report.

Regarding MCC’s planned U.S. positions at full staffing, subsequent to our report cut off date of August 31, 2004, MCC revised the number of planned positions from 222 to 200. Since our report reflects MCC’s status as of August 31, 2004, we have not changed our report. However we do note that MCC’s revised planned full staffing of 200 U.S. positions is consistent with the agreement in principle that the MCC has with OMB and Congress.

Regarding laws and regulations, we revised the portion of our report dealing with other Federal Laws and Regulations. We note that MCC’s written comments state that it will adopt the Prompt Payment Act because it makes good business sense. Also, for the same reason, it has stated that it will adopt selected aspects of the Sarbanes-Oxley Act and comply with OMB’s “Form and Content for Financial Statements” requirements on an accelerated basis. While it is not clear on the basis of MCC’s written comments to what extent it plans to adopt the requirements of these last two mentioned laws and regulations, we will continue to work with the MCC towards implementing those parts it plans to follow.

Lastly, as regards MCC’s suggested edits, we have included those edits which provide new or revised descriptions of the

responsibilities of certain of its offices and those we believe add to the report's clarity.

### **Scope and Methodology**

#### **Scope**

The Millennium Challenge Corporation's Office of Inspector General conducted this review to gain an understanding of the progress that MCC has made in establishing its organizational structure and beginning its assistance program. Our review was not an audit and therefore was not designed to fully comply with generally accepted government auditing standards. The review was conducted at the MCC office located in Arlington, Virginia from August 2 through August 31, 2004.

#### **Methodology**

In planning and performing this review, we interviewed MCC management officials and examined documentation relating to MCC's organization, staffing, budget, relevant laws and regulations and its progress in developing country compacts.

To determine the progress MCC has made in achieving its planned organizational structure, we interviewed MCC officials to determine the current status of its organizational structure in terms of where they are now versus where they expect to be when fully staffed and operational. We discussed with each vice president or office representative the anticipated staffing needs of each office, hiring plans, office responsibilities and interdependences with other MCC offices. We also reviewed documentation such as organizational charts, staffing plans and position descriptions.

To determine the status of MCC's compact development process, we reviewed MCC guidance to countries for developing proposals for MCA assistance, MCA criteria and methodology for determining candidate and eligible countries, briefing materials from MCC's initial trips to the 16 countries selected as eligible to submit assistance proposals for fiscal year 2004, proposals and concept papers received from these countries as of August 31, 2004, file documentation for selected eligible countries, weekly summary reports of the status of proposal development for the 16 countries, and a preliminary draft procedure outlining MCC's internal proposal assessment and compact development process. We also interviewed key personnel involved in MCC's oversight of the compact development process.

To determine whether the MCC complied with the Millennium Challenge Act of 2003 (Act) and other applicable Federal laws and regulations, we met with and obtained documentation from MCC staff and staff at the MCC's service provider. We discussed with the MCC staff their interpretation of parts of the Act and whether or not the MCC complied with its terms. In reviewing compliance issues, we attempted to determine the minimum level of action necessary to meet the requirements of selective Act and other Federal laws and regulations' requirements but did not attempt to fully evaluate the thoroughness, effectiveness or impact of the actions MCC has taken.

**Management  
Comments**



## Millennium Challenge Corporation

Reducing Poverty Through Growth

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September 28, 2004

MEMORANDUM

TO: USAID Office of Inspector General for the  
Millennium Challenge Corporation, Henry L. Barrett

FROM: Vice-President for Finance and Administration,  
Millennium Challenge Corporation, Gary A. Keel /s/

SUBJECT: Response to Draft Report on the "Review of the  
Millennium Challenge Corporation's Progress in  
Achieving Its Planned Organizational Structure and  
Beginning Its Assistance Programs As of August 31,  
2004."

We have reviewed the draft report titled "Review of the Millennium Challenge Corporation's Progress in Achieving Its Planned Organizational Structure and Beginning Its Assistance Programs As of August 31, 2004," and provide the following comments.

We would like to make the following comments with regard to the Review Findings addressing the MCC's progress in achieving its planned organizational structure and its compliance with Millennium Challenge Act of 2003 and other Federal laws and regulations.

**Organizational Structure:**

We modified our staffing plan during the past month as shown in Table 1, and accordingly, we now meet the overall staffing levels agreed to with OMB.

Table 1:  
MCC's Current and Projected Number of Staff  
Positions Through December 31, 2005

Office	Current Staffing	Full Staffing Dec. 05
Chief Executive Officer	5	10
General Counsel	6	10
Administration and Finance	14	17
Country Relations	15	83
Markets and Sector Assessments	6	38
Domestic Relations	5	12
Monitoring and Evaluations	3	16
Development Policy	2	7
International Relations	1	7
Totals	57	200

**Other Federal Laws and Regulations:**

Given the nature of the objective, we believe the focus of this report should be MCC's compliance with the laws that apply to MCC and not laws that are inapplicable to MCC. MCC's goal is to be an efficient and effective steward of taxpayer resources: to ensure transparency and accountability. Accordingly, MCC's strategy is (i) to meet all applicable laws and regulations; and, (ii) to develop policies and procedures that draw on the best management practices from both public and private sector organizations.

Congress chose to constitute the MCC as a government corporation. As such, we are subject to the Government Corporation Control Act as well as many other laws that apply generally to Federal agencies. Within days of its creation, MCC developed a comprehensive compendium of the laws and sections of laws that apply to MCC,<sup>8</sup> in order to guide its policies and ensure it complied with all legal requirements. We have given priority to meeting these requirements, and in addition we have chosen to adopt the following because they make good business sense:

- The Prompt Payments Act;
- Selected aspects of the Sarbanes-Oxley Act; and,
- Comply with OMB's Form and Content Statements requirement on an accelerated basis.

As stated above, the report does not adequately present MCC's goals or its accomplishments in enhancing accountability and transparency.

**Other Comments:**

Page 11, Para 2: MCC will review the requirements of the Act with respect to the daily rate of compensation to be paid to public members of the board of directors, to determine if a higher rate should be paid than what MCC paid previously, as suggested by the OIG.

Page 13, Para 1: Request that the language be changed to read as follows: " ...we noted two instances of recruitment bonuses (amounting to \$37,500) being paid to two MCC career-status employees in connection with their recruitment by MCC from outside the Federal government. While MCC concluded that payment of these benefits fell within the authority of the Act and generally applicable regulations administered by OPM, it

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<sup>8</sup> A copy was provided to the auditors.

did not maintain full documentation to support the rationale for the payments and the amounts."

Page 5, Para 3, line 11 - Should read: "against objective non-USG indicators."

Page 7, Para 2, Line 4 - should read: "level with 222 U.S. positions."

Page 8, Para 3, Line 7 - Should read: "Since the initial trips, MCC has stayed abreast..."

Page 11, Para 1, Line 12 - Please include a footnote that states: "The Washington, D.C rate would increase the amount payable to a public member by approximately \$ 13.00 per day."

Page 11, Footnote 6 - To be consistent with the Act - " A threshold country is a candidate country that demonstrates significant commitment to meet the eligibility criteria but fails to meet the requirements (including by reason of the absence or unreliability of data)."

#### Appendix III:

General Counsel: Should read: "General Counsel is responsible for the provision of legal services in support of MCC's program and administrative operations. This office advises on legislation, international agreements and other legal matters. It also serves as the secretariat for the Board of Directors."

Domestic Relations: Should read: "Domestic Relations is responsible for MCC's Congressional relations and public affairs."

Monitoring and Evaluation: Should read: "The Monitoring and Evaluation (M&E) department is responsible for overseeing the assessment of economic logic and growth impact of country proposals, the establishment of monitoring and evaluation plans, and the collection and analysis of performance measurement data. M&E keeps abreast of and publishes research on economic development, with a focus on MCC experience. M&E

is responsible for assessing statistical capacity in eligible countries and reinforcing efforts to improve local capacity. M&E contributes to developing and implementing performance reporting for the entire MCA portfolio. M&E will also manage the process of arranging for appropriate, independent, ex-post evaluations."

Market and Sector Assessments: Should read:  
"Markets and Sector Assistance is responsible for providing technical expertise on specific development function areas when evaluating country proposals [to ensure that the projects that the countries are proposing are feasible and doable]. This office is also responsible for reviewing the financial and procurement systems in each country, as well as reviewing environmental compliance."

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### Description of the Millennium Challenge Corporation's Offices

The **Office of Chief Executive Officer** is responsible for managing MCC's operations in a manner that not only reflects the policies of the Board of Directors, but that also achieves the MCC's objectives in accordance with applicable laws and regulations and Congressional directives.

**General Counsel** is responsible for the provision of legal services in support of MCC's program and administrative operations. This office advises on legislation, international agreements and other legal matters. It also serves as the secretariat for the Board of Directors.

**Administration and Finance** is responsible for all matters pertaining to the Corporation's financial, administrative, information technology, procurement, and human resource management operations, policies and procedures.

**Country Relations** is the primary office in charge of managing the compact development process. This office is responsible for all communication with eligible countries leading up to the country's submission of a proposal. It provides advice to the countries about their proposals, plays a coordination role after the proposals are submitted and will be responsible for coordinating the negotiation of compacts with the individual countries.

**Markets and Sector Assessments** is responsible for providing technical expertise on specific development function areas when evaluating country proposals [to ensure that the projects that the countries are proposing are feasible and doable]. This office is also responsible for reviewing the financial and procurement systems in each country, as well as reviewing environmental compliance.

**Domestic Relations** is responsible for MCC's Congressional relations and public affairs.

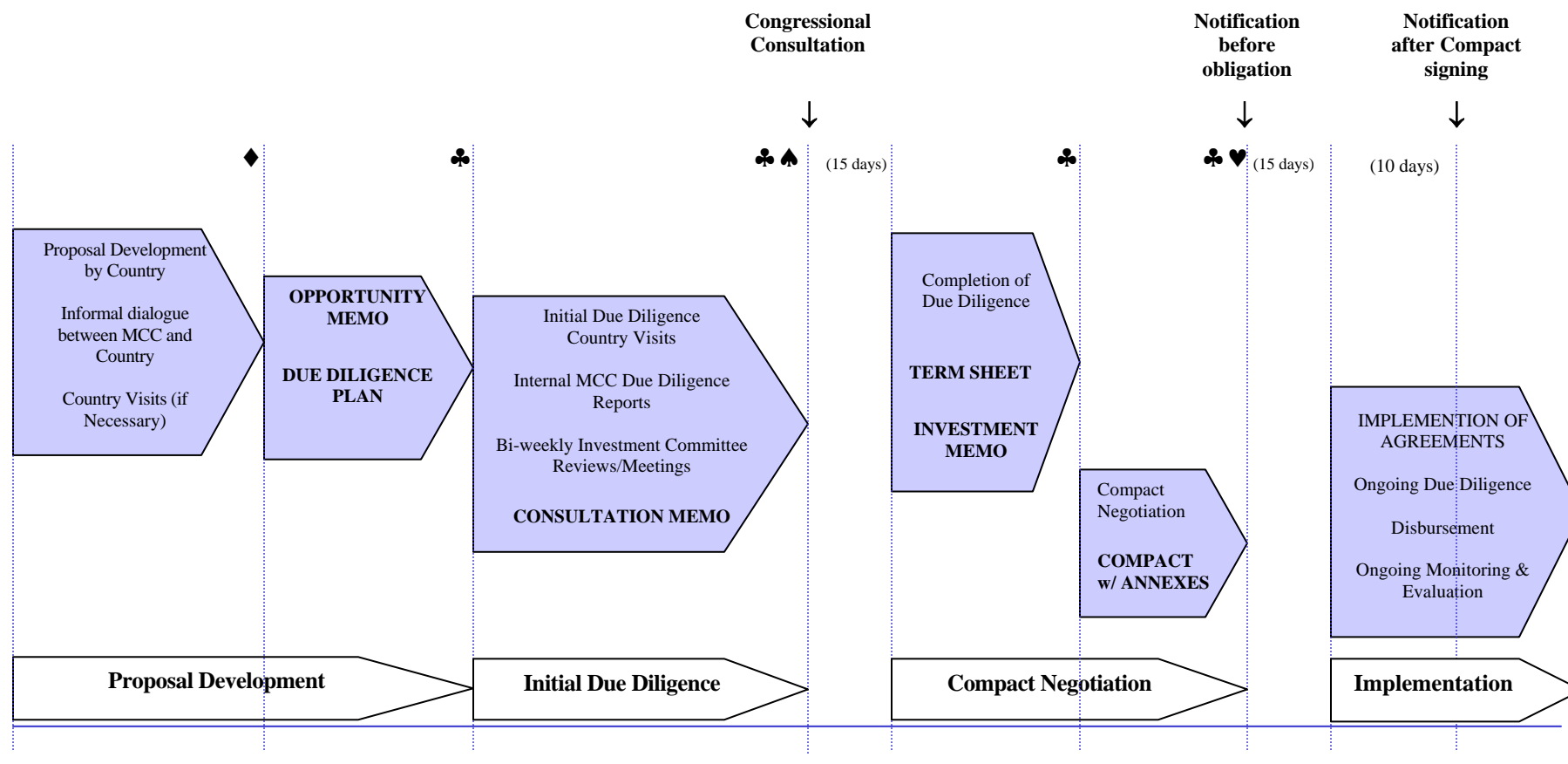
**Monitoring and Evaluation** is responsible for overseeing the assessment of economic logic and growth impact of country proposals, the establishment of monitoring and evaluation plans, and the collection and analysis of performance measurement data. Monitoring and Evaluation keeps abreast of and publishes research on economic development, with a focus on MCC experience. Monitoring and Evaluation is responsible for assessing statistical capacity in eligible countries and reinforcing efforts to improve local capacity. Monitoring and Evaluation contributes to developing and implementing performance reporting for the entire MCA portfolio. Monitoring and Evaluation will also manage the process of arranging for appropriate, independent, ex-post evaluations.

**Development Policy** is responsible for defining MCC's policies and procedures. This

office is also responsible for gathering data on the countries, reporting to Congress and developing briefing materials.

**International Relations** is responsible for developing and maintaining mutually-beneficial relationships with international organizations.

## MCC Proposal Assessment and Compact Development Outline (MCC Draft – August 20, 2004)



- Key:**
- ◆ Transaction Team decision
  - ♣ Investment Committee decision
  - ♠ CEO confers with Board
  - ♥ MCC Board decision

Formal documents are shown in all bold caps.

