



MILLENNIUM
CHALLENGE CORPORATION

UNITED STATES OF AMERICA



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MCC Overview

Compacts in Africa

MCC Infrastructure

Procurement Structure

**MCC is an innovative foreign assistance program designed to
“reduce poverty through sustainable economic growth”**



***MCC links greater contributions from developed nations
to greater responsibility from developing nations***

**MCC is managed by a Chief Executive Officer and a
public-private Board of Directors comprised of:**

- MCC CEO
- Secretary of State
- Secretary of the Treasury
- U.S. Trade Representative
- USAID Administrator
- Individuals from the private sector

MCC Core Principles



1. Sound governance, economic and social policies:

- To countries who can use assistance effectively
- Spur private investment and increased trade, the real engines of growth

2. Country ownership:

- Increases responsibility
- Builds capacity
- Yields better results

3. Clear objectives and measurement of results:

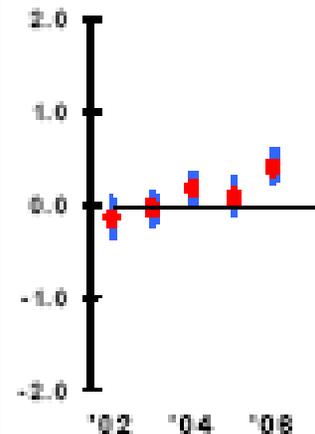
- Increase accountability
- Contribute to development success

Policies Matter – Annual Competition

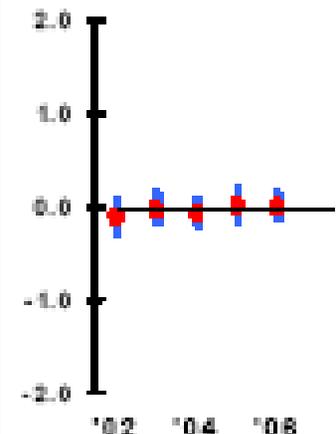
Country Scorecards



Tanzania FY 2008
Compact Eligible



Zambia
Threshold Eligible



MCC Model: the Compact



President George W. Bush and President Jakaya Kikwete of Tanzania shake hands after signing the \$698 million Millennium Challenge Compact Sunday, Feb. 17, 2008, in Dar es Salaam.

- MCC signs a **Compact** with the eligible country. The Compact details the projects to be funded and the implementing arrangements.
- Compact countries form accountable entities (**e.g. MCA Tanzania**) which are responsible for implementing the Compact and selecting contractors.
- From the time of “entry into force” (finishing the closing checklist), **Compact funds must be spent within 5 years.**

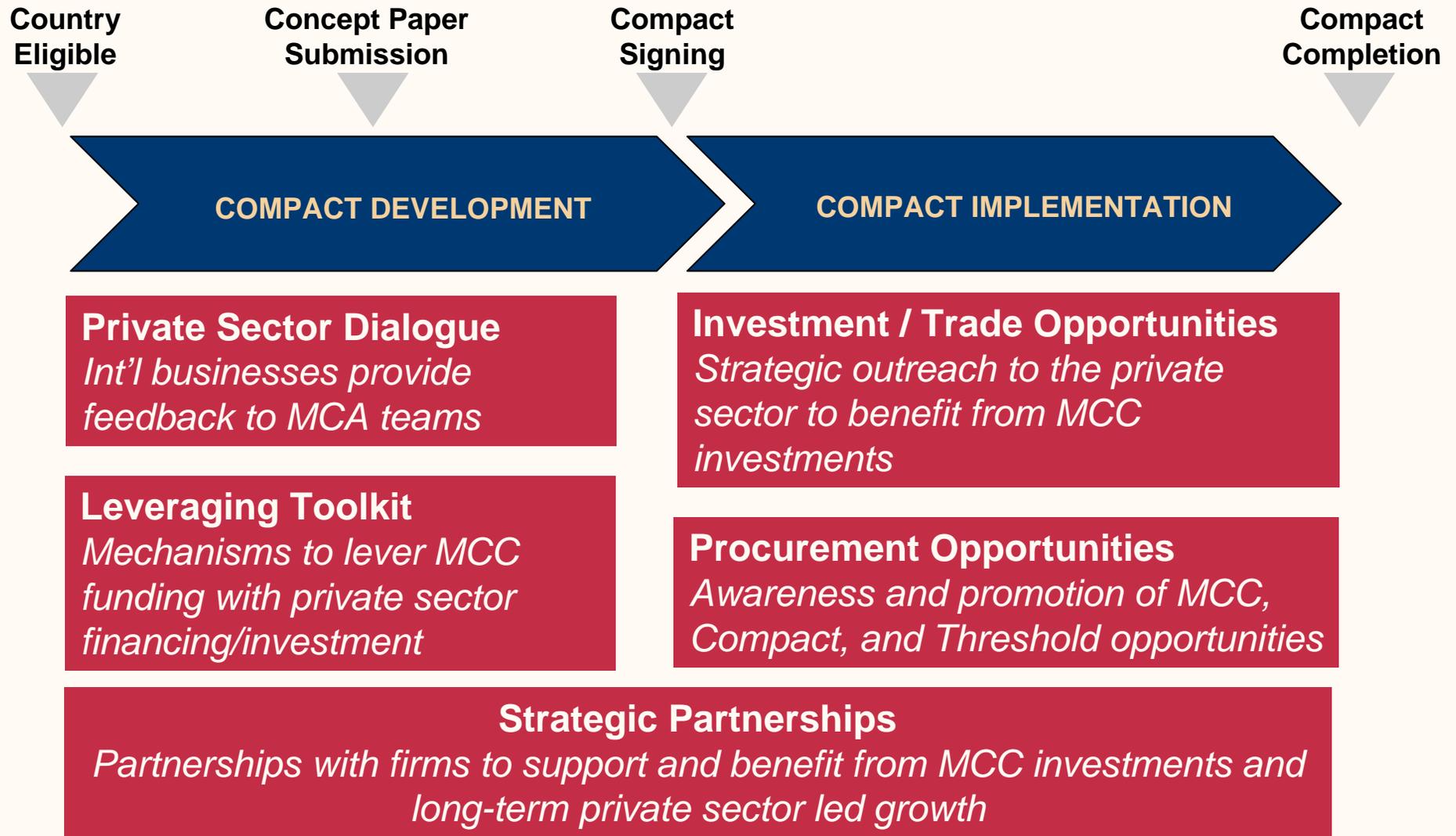
MCC Model: Benefits to Contractors



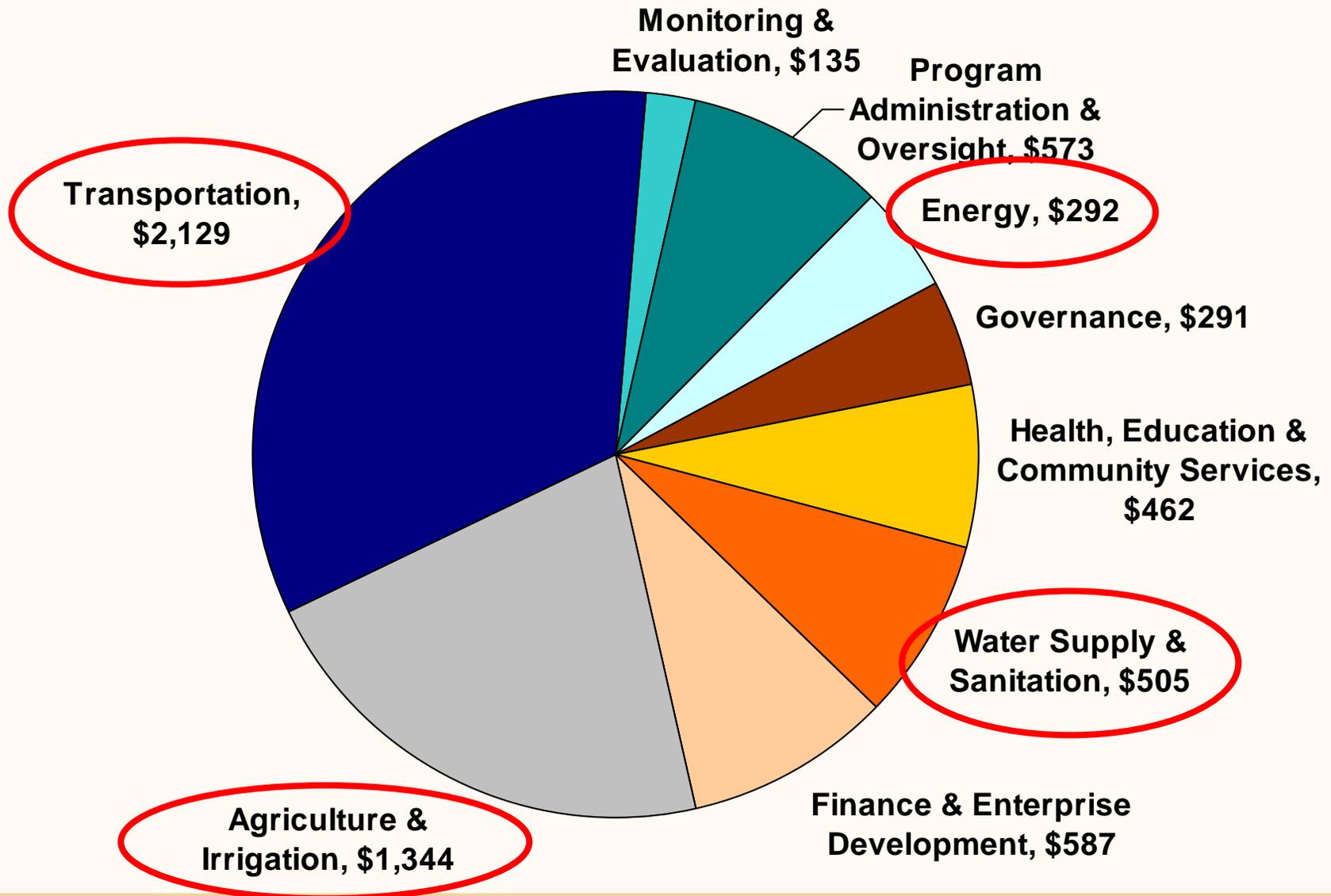
**Study on Investment
and Market
Opportunities in
MCA-Madagascar
Zones**

- No preferences for U.S. or domestic contractors: **Compacts are “untied”**.
- Countries qualify for Compacts by demonstrating **control of corruption**.
- At “entry into force” **all funding is obligated**, reducing risk to implementers.
- Contractors **paid directly by USG** through the Common Payment System.
- Shortlisting and other procurement reviews are **openly competitive**.
- Project Implementing Entities **staffed by dedicated teams**.
- **Checks and balances** among MCC, MCA Entities & Implementing Entities.
- **Bidding forms are uniform & highlight bidders’ technical qualifications**.
- Some partner countries **exempt contractors from certain taxes**.

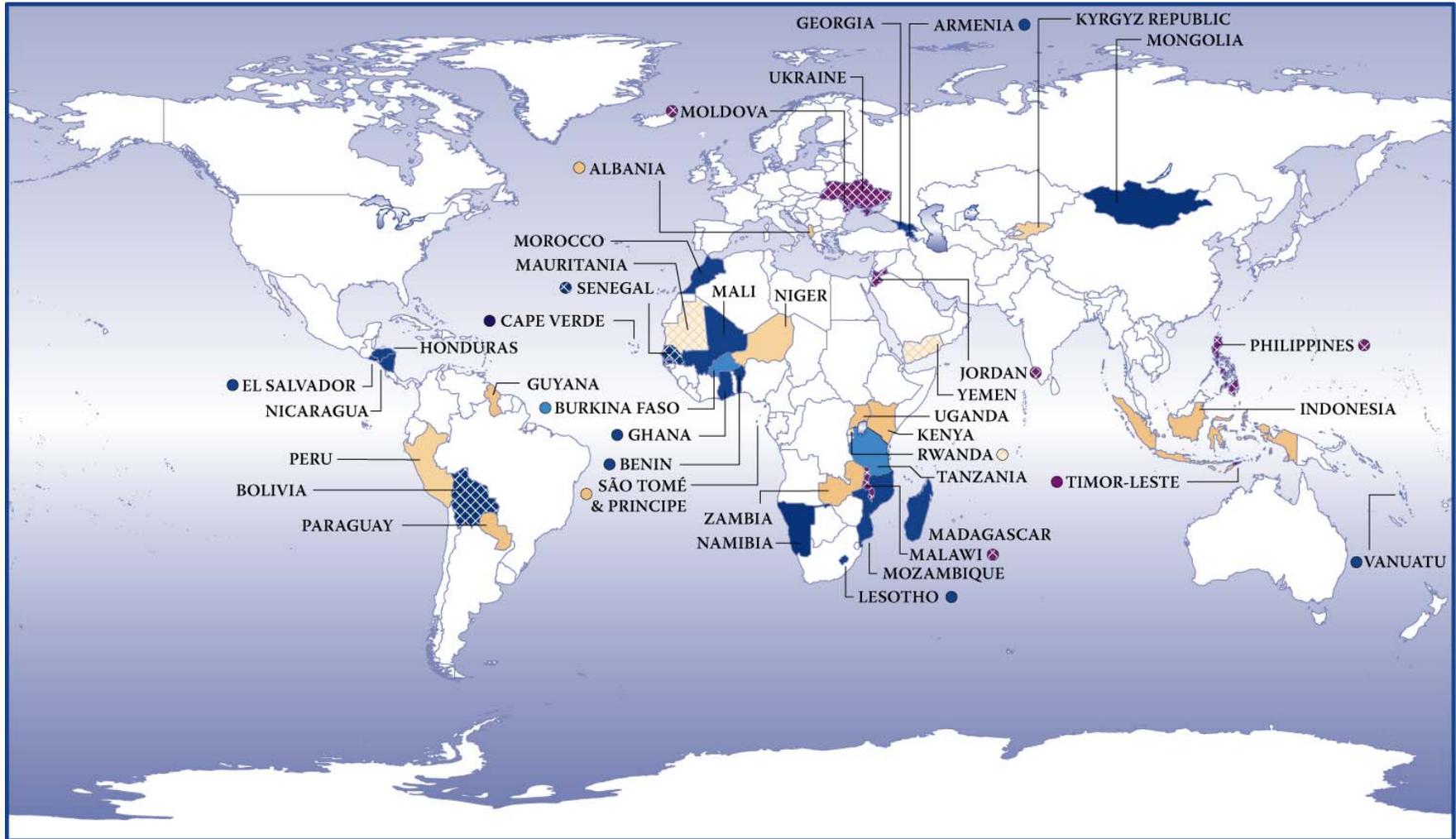
MCC Initiatives with the Private Sector



MCC's portfolio, in millions: over 55% infrastructure



Where MCC operates



- | | | |
|--|--|---|
|  Compacts Signed |  Compact Signed and Threshold Agreement Signed |  Threshold Agreements Signed |
|  Compact-Eligible Countries |  Compact-Eligible with Threshold Agreement Signed |  Threshold-Eligible Countries |
|  Suspended Compact-Eligible Countries |  Compact-Eligible and Threshold Eligible |  Threshold Countries Suspended |

Updated 07.28.08



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\$4.6 Billion in Compacts for African Countries, including over \$3.1 Billion for Infrastructure

Country	Total	Transport ¹	Water	Energy	Irrigation	Other Infra ²
 Benin	\$307	\$169				\$17
 Burkina Faso	\$481	\$194			\$91	\$29
 Cape Verde	\$110	\$79				
 Ghana	\$547	\$201			\$28	\$75
 Lesotho	\$363		\$164			\$91
 Madagascar	\$110					\$11
 Mali	\$461	\$219			\$150	\$21
 Morocco	\$698				\$105	\$177
 Mozambique	\$507	\$176	\$204			
 Namibia	\$305					\$117
 Tanzania	\$698	\$373	\$66	\$207		
	\$4.6B	\$1.4B	\$434M	\$207M	\$374M	\$715M

1. "Transport" includes roads, airports, ports, and ferries

2. "Other Infra" includes buildings, social infrastructure, and small-scale community infrastructure

Status of Africa Compacts in Implementation



Start Up

Year 1

Year 2

Year 3

Year 4

Year 5



Namibia

Estimated 2009



Burkina Faso

Estimated 2009



Morocco

Sept 15, 2008



Lesotho

Sept 17, 2008



Mozambique

Sept 22, 2008



Tanzania

Sept 15, 2008



Benin

Nov 9, 2006



Ghana

Feb 16, 2007



Mali

Sept 17, 2007



Cape Verde

Oct 17, 2005



Madagascar

Jul 27, 2005

Entry Into Force:
Date at which Compact term of 5 years begins



The Ghana & Mali Compacts

Ghana
Road Rehabilitation
\$94.4 million total



Mali
Road & Airport
\$65.2 million total

Procurement	Distance	Timeframe
Ghana feeder roads	950 km	Tenders issued starting Dec 08
Ghana trunk roads	230 km	Tenders issued starting Dec 08
Mali airport airside infrastructure	Runway	Tender to be issued in 2009
Mali Niono–Goma Coura Road	81 km	Construction Supervision & Construction contracts will be signed in Oct 08



The Benin Compact

Port of Cotonou
\$169.5 million total



Procurement	Timeframe
Construction supervision	Prequalification Fall 2008
Two berths at South Wharf, breakwater, landside, and other related improvements	Design-Build Prequalification Fall 2008
Concession of South Wharf (will be tendered by GoB, not under Compact)	Summer/Fall 2009

The Mozambique Compact



Water Supply & Sanitation
\$203.6 million total



Procurement	Timeframe
Rural Water Supply (wells & boreholes)	Construction: Spring 2009
Nacala Dam Rehabilitation & Raising	Engineering: Summer 2009 Construction: Spring 2011
Water Supply and Sanitation in 5 secondary cities and towns	Engineering: Summer 2009 Construction: Spring 2011
Urban water supply and sanitation in 3 provincial capitals	Engineering: Summer 2009 Construction: Spring 2011

The Mozambique Compact



Road Rehabilitation
\$176.3 million total



Procurement	Distance	Timeframe
4 Road segments in Cabo Delgado, Nampula, and Zambezia provinces	491 km	Design: Spring 2009 Supervision: Spring 2009 Construction: Fall 2010



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MCC and MCA counterparts need infrastructure expertise

MCA hires advisors to assist in program design. Sometimes these advisors are paid by MCC.

MCA

1. MCA hires advisors for engineering & construction supervision.
2. MCA hires construction contractors.



Firms assist MCC with due diligence on proposal submitted by MCA. Cannot be same firm advising MCA on program development.

MCC

MCC hires Independent Engineers to provide oversight. Can be same firm that assisted MCC with due diligence.

MCC Investments in Roads

Progress Indicators	Signed contracts for feasibility/and or design studies	Percent of contracted studies complete, km roads under design	Value of signed contracts for road work	Kilometers of roads under contract	Percent of contracted roads works disbursed
Countries that have begun this activity	Armenia (\$3 M) Cape Verde (\$.2 M) Georgia (\$3.7 M) Ghana (\$4.3 M) Honduras (\$4.2 M) Mali (Alatona Irrigation) Nicaragua (\$5.2 M)	Armenia (54%, 575.5 km) Cape Verde (100%, 63km) Georgia (99%, 253 km) Ghana (22%, 1205 km) Honduras (100%, 583 km) Mali (81 km) Nicaragua (70%, 365 km) Vanuatu (121 km)	Armenia (\$4.5 M) Cape Verde(\$14.2M) Georgia (\$98.1 M) Honduras (\$41.4 M) Nicaragua (\$14 M) Vanuatu (\$54 M) (design/build contract)	Armenia (24.5 km) Cape Verde (39 km) Georgia (171 km) Honduras (49.5 km) Nicaragua (18 km) Vanuatu (121 km)	Armenia (12%) Cape Verde (36%) Georgia (12%) Honduras (5%) Nicaragua (10%) Vanuatu (10%)
Countries that have not yet begun this activity	Burkina Faso Mozambique Tanzania	Burkina Faso Mozambique Tanzania	Burkina Faso El Salvador Mali Mozambique Tanzania	Burkina Faso El Salvador Mali Mozambique Tanzania	Burkina Faso El Salvador Mali Mozambique Tanzania
Totals	\$21 million feasibility and/or design studies contracted	69% completion of contracted design and/or feasibility; 3281 km roads under design	\$226 million works contracted	423 km of roads under works contract	12% of road works contracts disbursed

All program data are as of June 30, 2008. Data are preliminary and subject to adjustment.

MCC Investments in Irrigation

	Value of signed contracts for feasibility and/or design studies	Percent of contracted studies complete, length of irrigation canals	Value of signed contracts for works for irrigation systems	Percent of contracted irrigation works disbursed
Countries that have begun this activity	Armenia (\$4.1 million) Mali (\$5.8 million) Ghana (\$1.4 million)	Armenia (47% complete, including 143 km main canals, and other water conveyance systems) Mali (99% including 553 km canal) Ghana (0% complete for planned gravity and pumping systems)	Armenia (\$324,766 for 6.5km of tertiary canals) Cape Verde (\$5,880,918 for many small works including dikes, reservoirs, and distribution systems)	Armenia (66% disbursed) Cape Verde (30% disbursed)
	Morocco Burkina Faso	Morocco Burkina Faso	Mali Morocco Ghana Burkina Faso	Mali Morocco Ghana Burkina Faso
Countries that have not yet begun this activity	\$11.3 million contracted	68% completion of contracted design and/or feasibility; including 696 km canals	\$ 6.2 million contracted	32% disbursed of contracted irrigation system works

All program data are as of June 30, 2008. Data are preliminary and subject to adjustment.

Upcoming MCC Procurement Opportunity



The MCC is interested in re-energizing industry interest and participation for a new full and open competition and multiple awards to establish a new set of IDIQs contracts for ***infrastructure due diligence and independent engineering efforts as part of our compact implementation activities.***

The current contracts do not generate full participation from all of the current holders of the current set of IDIQ contracts, and the period of performance for the existing IDIQ contracts are shorter than the 5 year periods of some of the recent country compacts executed which make them of limited use for the activities under the newer compacts.

The MCC anticipates release of a new RFP this fall in FY 2009, but no later than by the end of the calendar year.

Standard Bidding Documents

- In Nov 2007, MCC decided to create Standard Bidding Documents for:
 - Small works
 - Consulting services
 - Design bid build
 - Design build
 - Goods
 - And others



- Why?
 - Consistent approach
 - International standards known in the market
 - Cost/price management
 - Risks consistent from contract to contract
 - A bidder on a road in Tanzania can count on the same general conditions of contract if/when they bid on a road in another country

Forms of Contract

Large works

- MCC has purchased licenses from the International Federation of Consulting Engineers (FIDIC) for large works:
 - Design bid build (Red Book)
 - Design build (Yellow Book)
- MCC General conditions – identical in all FIDIC contracts
- Conditions of Particular Application (COPAs) supplement and amend the General Conditions



International Federation
of Consulting Engineers

Small works, Goods & Consulting services

- For these contracts MCC is using World Bank standards with minor accommodations to reflect MCC regulatory requirements.





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Compact procurements

- Administered by MCA Entities.
- Opportunities published to:
 1. <http://www.mcc.gov/>
 2. <http://mcc.dgMarket.com/>
 3. <http://www.devbusiness.com/>

dgMarket®

United Nations
Development Business



Threshold procurements

- Administered by USAID.
- Opportunities published to <http://www.FedBizOpps.gov/>

FedBizOpps



MCC corporate procurements

- Administered by MCC.
- Opportunities published to <http://www.FedBizOpps.gov/>

FedBizOpps

www.MCC.gov: Becoming a one-stop-shop for bidders

MCA Procurements
Threshold Procurements
MCC Procurements
Consultants

Compact (MCA Entity) Procurements

Countries with signed [Compacts](#) solicit, award, and [administer procurements](#) for goods, works and services based on the programs designed in their Compact. These procurements are awarded and administered by the country through an "accountable entity" (also known as an "MCA Entity") the organization established by the country to manage the programs identified in their Compact. MCC is not a party to these contracts.

Recipient countries are required to post procurement notices at official websites:

- ★ [United Nations Development Business](#)
- ★ [dqMarket](#)

Each procurement notice includes a point of contact for any questions.

All MCC compact country procurements are available for review on this free [dqMarket web site](#).

 [RSS Feed](#) | [What is This?](#)

MCA (Compact) Procurements

Date	Procurement	Country
Mon, 25 Aug 2008 13:09:23 EDT	SIMPLIFIED ENVIRONMENTAL ASSESSMENT FOR THE FARMER INCOME SUPPORT PROJECT	Millennium Challenge Account-Mozambique

MCC is transforming its procurement website to better reach potential bidders
<http://www.mcc.gov/procurement/index.php>

www.MCC.gov: Becoming a one-stop-shop for bidders

MCA Procurements Threshold Procurements MCC Procurements Consultants

Compact (MCA Entity) Procurements

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Current procurement notices:

[Sector Definitions](#)

Procurements planned for the next six months:

[Sector Definitions](#)

Committed Compact funding to be procured in the long-term:

[Sector Definitions](#)

Contract awards:

[Sector Definitions](#)

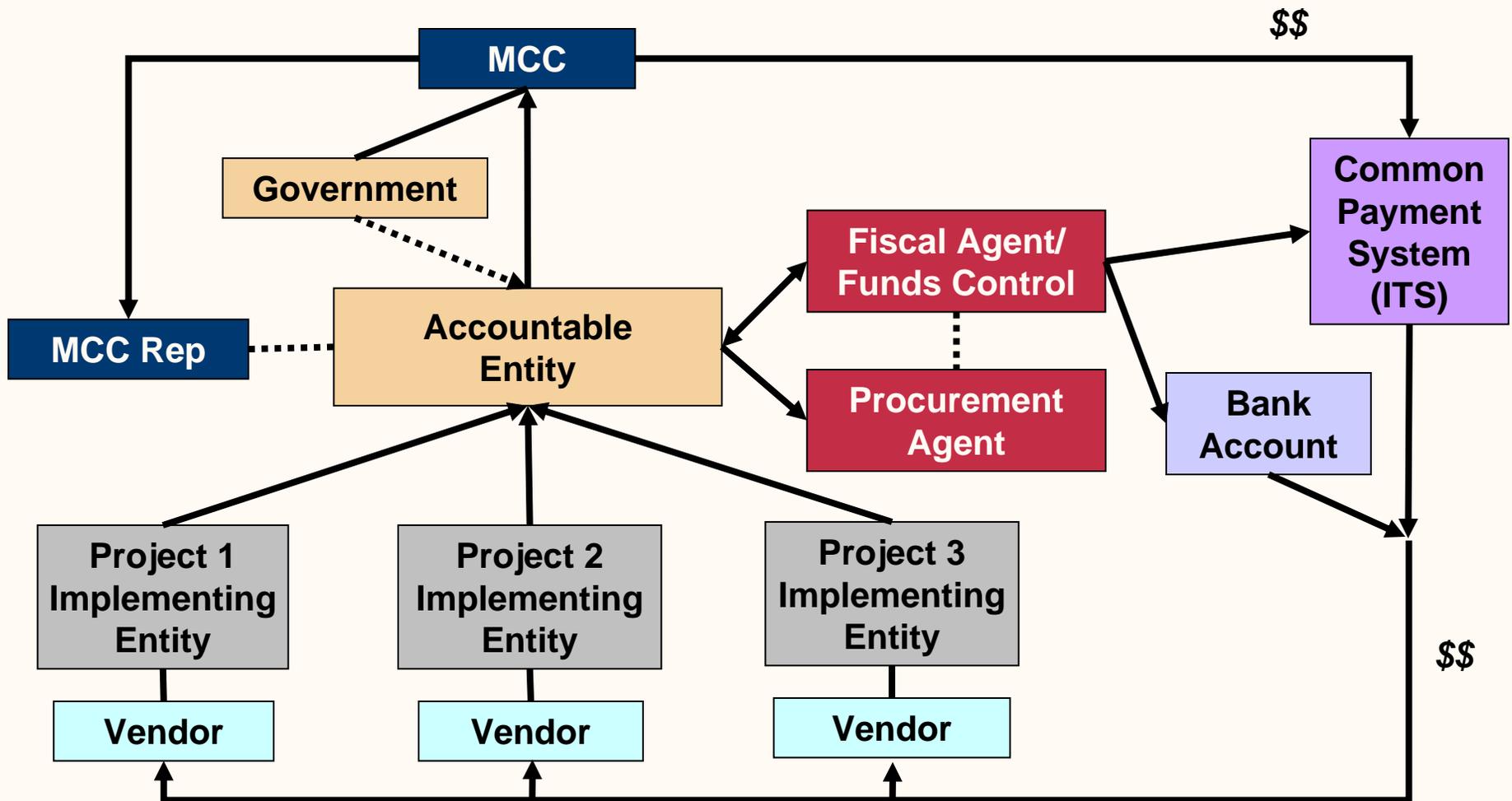
List of all procurement notices from <http://mcc.dgMarket.com>:

Date	Procurement	Country
Mon, 25 Aug 2008 13:09:23 EDT	SIMPLIFIED ENVIRONMENTAL ASSESSMENT FOR THE FARMER INCOME SUPPORT PROJECT	Millennium Challenge Account-Mozambique

This new webpage/database should go online in early 2009

<http://www.mcc.gov/procurement/index.php>

Implementing Structure *Sound Fiscal Accountability*

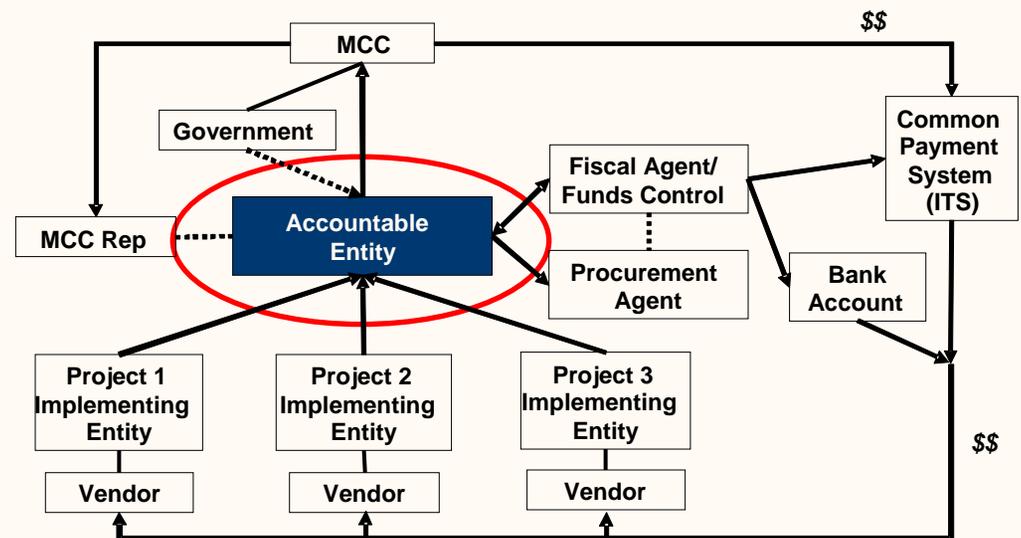


This diagram is for illustrative purposes only.

The Accountable/MCA Entity

A legal entity that is accountable for the MCC funded program, with the authority and responsibility to:

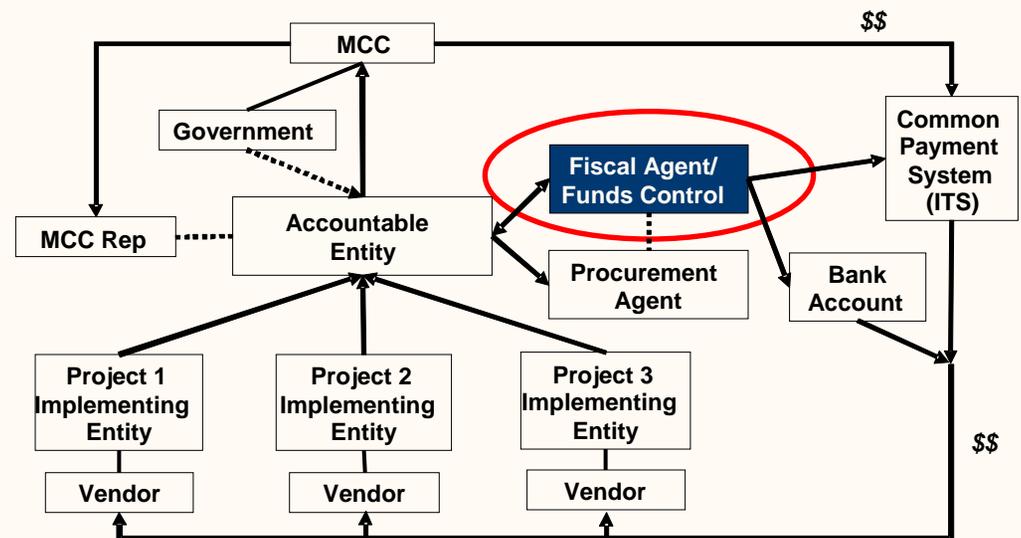
- Manage implementation
- Allocate resources
- Sign procurement contracts
- Serve as single point of contact



The Fiscal Agent

Provides a broad range of financial management services including

- Serves as sole authority to instruct the bank to pay invoices

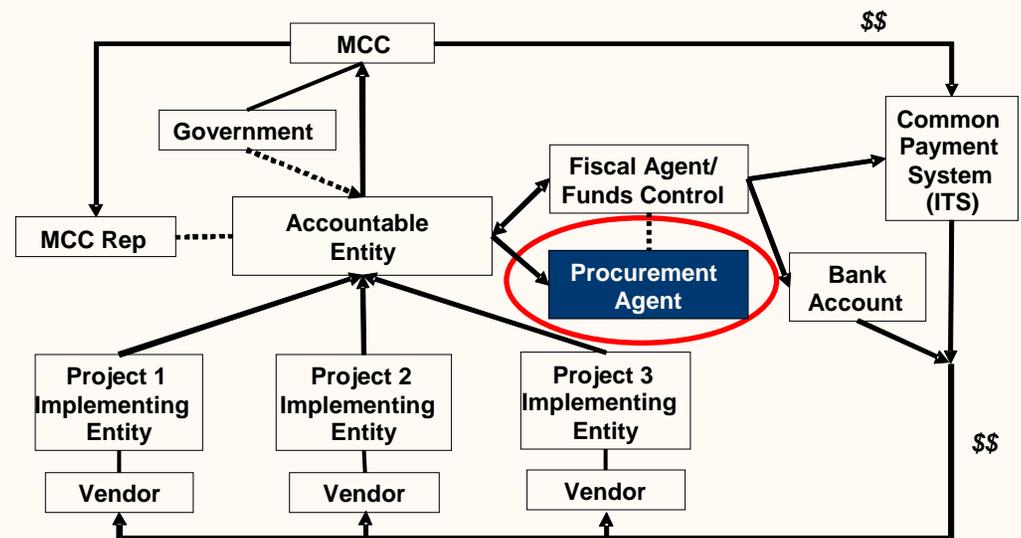


The Procurement Agent

Manages the *procurement* of goods, works and services

A Procurement Agent can be:

- An Implementing Entity
- An independent entity competitively procured
- A combination of both

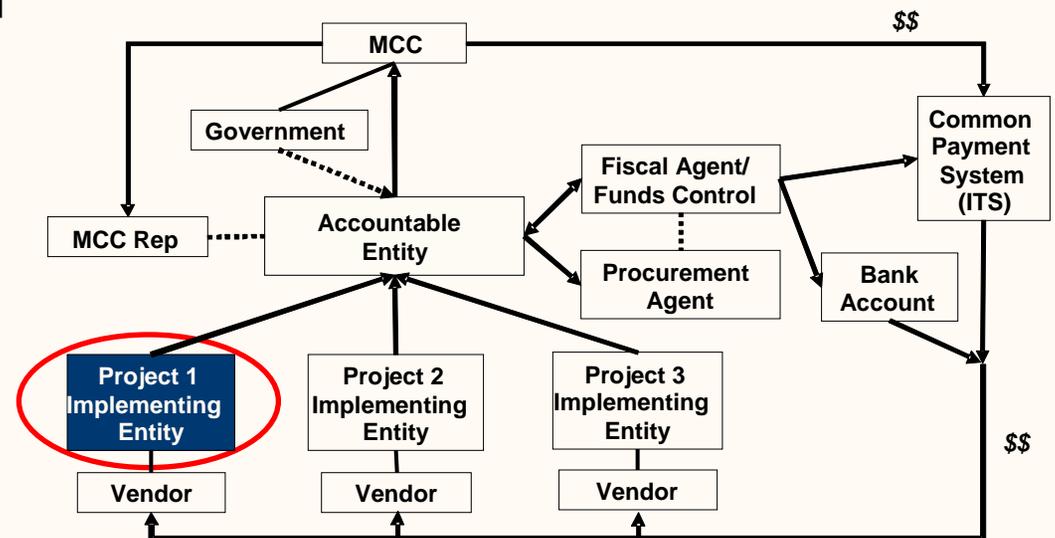


The Project Implementing Entity

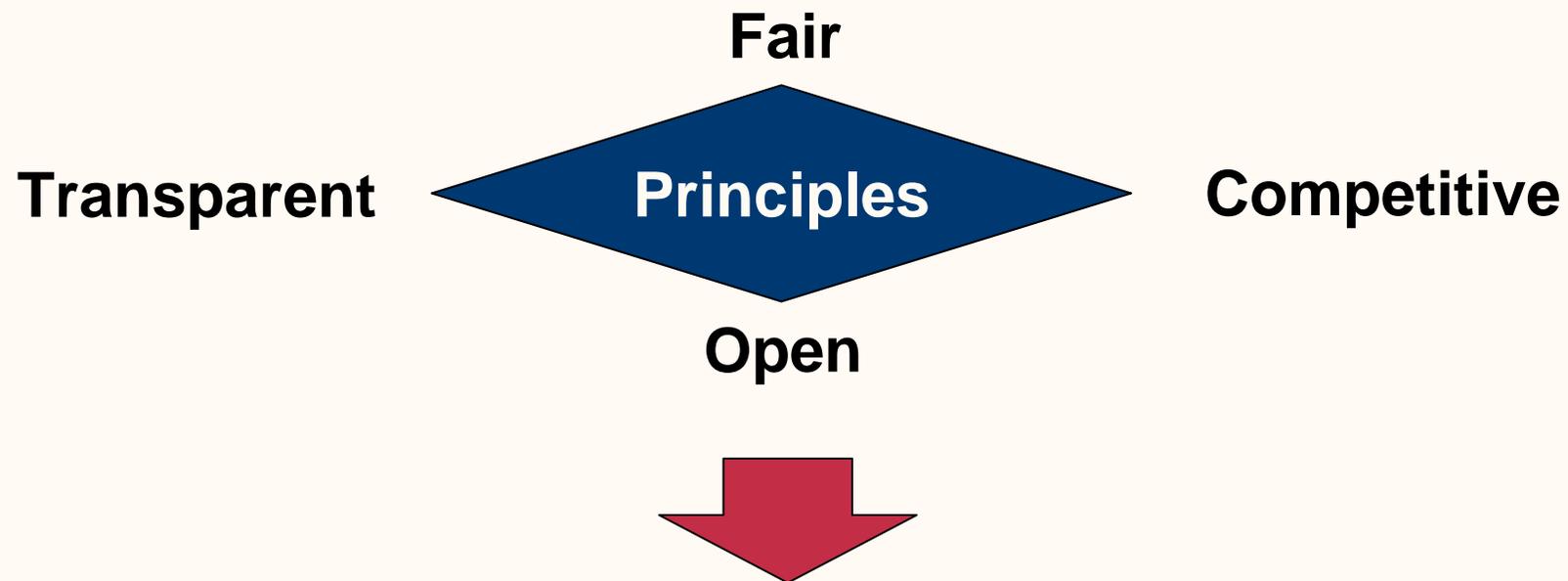
Manages the *implementation* of goods, works and services

A Project Implementing Entity can be:

- A government institution
- An independent entity competitively procured
- A combination of both



MCC Program Procurement Guidelines



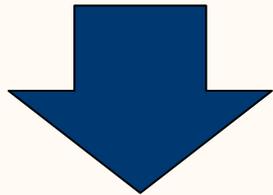
Similar to World Bank Procurement Guidelines with Important Exceptions:

- No Geographic Preferences
- US Prohibited Sources ineligible
- US or Local Currency only



Procurement Guidelines

**Early
Compacts**



**Subsequent
and Future
Compacts**

**Procurement Agreements
&
Procurement Guidelines**

Benin, Cape Verde, Ghana, Madagascar

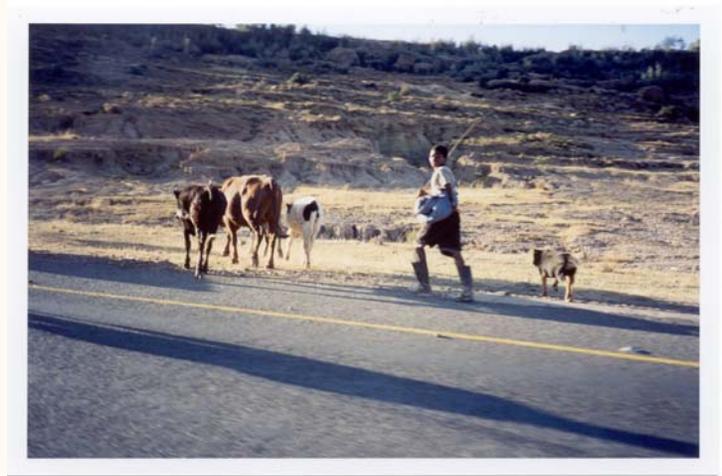
**Program Implementation Agreements
&
MCC Program Procurement Guidelines**

**Lesotho, Mali, Morocco, Mozambique, Tanzania,
Namibia, Burkina Faso...**

MCC Program Procurement Guidelines: The Bid Challenge System

First Level Review: Accountable/MCA Entity
Second Level Review: Independent body





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