

**SUMMARY OF THE JUNE 27, 2007 MEETING OF
THE BOARD OF DIRECTORS
OF THE MILLENNIUM CHALLENGE CORPORATION
a U.S. Government Corporation**

The following is a summary of the June 27, 2007 meeting of the Board of Directors (the “Board”) of the Millennium Challenge Corporation (“MCC”), which was held in closed session at 10:07 a.m. at the U.S. Department of State, Washington, D.C.

1. The following individuals were present at the meeting:

DIRECTORS AND ALTERNATES, ACTING AS DIRECTORS:

Condoleezza Rice, Secretary of State (Chair)

Robert Kimmitt, Deputy Secretary of the Treasury (Representing Henry H. Paulson, Jr. (Vice Chair), Secretary of Treasury)

(USTR submitted votes by proxy).

Henrietta Holsman Fore, Acting Administrator, USAID

John J. Danilovich, Chief Executive Officer, MCC

Governor Christine Todd Whitman

Lorne W. Craner

Kenneth F. Hackett

Alan J. Patricoff

OTHER PARTICIPANTS (at all or a portion of the meeting): Daniel Sullivan (State); Clay Lowery (Treasury); Rodney Bent (MCC); Elena Bryan (USTR); James Kunder (USAID); Thomas Gibson (for Governor Whitman); Gretchen Birkle (for Mr. Craner); Dennis Shin (for Mr. Hackett); Stephen Hadley (NSC); Michael Magan (for Mr. Hadley); William G. Anderson, Jr. (MCC); Mary Ryckman (USTR); Stephen Groff (MCC); Maureen Harrington (MCC); John Hewko (MCC); Miguel Howe (MCC); John Mantini (MCC); Matthew McLean (MCC); Frances McNaught (MCC); Suzi Morris (MCC); Henry Pitney (MCC); Michael Ryan (MCC); Lauren Sanne (MCC); Charles Sethness (MCC); Emily Andrews (MCC); Charlotte Bingham (MCC); Jonathan Bloom (MCC); Bunyan Bryant (MCC); Stephanie Burch (MCC); Tom Campbell (MCC); Cassia Carvalho-Pacheo (MCC); Malik Chaka (MCC); Barry Deren (MCC); Deidra Fair (MCC); Stephen Gaul (MCC); James Gerard (MCC); Michael Grossman (MCC); Huntington Hobbs (MCC); Thomas Hohenthauer (MCC); Thomas Kelly (MCC); Monica Kladakis (MCC); Loren Labovitch (MCC); Maria Longi (MCC); Darius Mans (MCC); Forrest McKennie (MCC); Jeanmarie Meyer (MCC); Patricia Moser (MCC); Bruce Overton (MCC); Gina Porto (MCC); Kumar Ranganathan (MCC); Jonathan Saiger (MCC); Muneera Salem-Murdock (MCC); Jolyne Sanjak (MCC); Christian Vanderbrouk (MCC); Peter Delp (USAID); Valerie Belon (State); Michael Pascual (State).

2. **Administrative Resolutions.** The Board approved several administrative resolutions, including the minutes of the February 14, 2007 Board and audit committee meetings and a resolution to reserve FY2007 threshold program funding in the amount of \$175,230,000.

3. **CEO Update.** The MCC CEO acknowledged newly appointed Board members, Messrs. Alan J. Patricof and Lorne W. Craner, and acknowledged the contributions of departing member, Governor Christine Todd Whitman. An update was provided on MCC operations, including a review of MCA-eligible and threshold-eligible countries, MCC funding requirements for FY2008, and progress on MCC compact implementation and disbursements.
4. **Compact Implementation Update.** MCC's vice president, and deputy vice president, of operations provided a full report on compact implementation, highlighting program achievements, improved accountability and transparency measures, as well as risks and mitigation measures, in Madagascar, Georgia, Cape Verde, and Honduras.
5. **Mozambique Compact Briefing.** The MCC Mozambique transaction team provided a briefing of the proposed Mozambique compact. The projects highlighted in the five-year compact include: (1) water and sanitation services; (2) roads; (3) land tenure services (increasing land value and reducing the cost of land transactions); and (4) farmer income support. After discussion, the Board unanimously approved signing the compact with Mozambique, totaling \$506.9 million.
6. **Lesotho Compact Briefing.** The MCC Lesotho transaction team provided a briefing of the proposed Lesotho compact. The projects highlighted in the five-year compact program, include: (1) water sector; (2) health sector; and (3) private sector development. After discussion, the Board unanimously approved signing the compact with Lesotho, totaling \$362.6 million.
7. **Morocco Compact Briefing.** The MCC Morocco transaction team briefed the Board, and the Board discussed, progress toward the completion of a proposed compact with Morocco. The projects highlighted in Morocco's five-year compact include: (1) fruit tree productivity; (2) small-scale fisheries; (3) artisan and Fez Medina (including improvement of tourist and artisan infrastructure in Fez Medina, artisan production and training programs, and promotion of the artisan industry); (4) financial services; and (5) enterprise support. Program costs for the Morocco compact are estimated at \$610 million. The Board was not asked to vote on the Morocco compact; approval by written consent will be requested later this summer.
8. **Guyana Threshold Program.** MCC's managing director for threshold programs briefed the Board, and the Board discussed, the proposed MCC threshold program to improve Guyana's performance on the *Fiscal Policy* and *Cost of Starting a Business* indicators. After discussion, the Board approved MCC threshold program assistance to Guyana in the amount of \$7.18 million.
9. **Kyrgyz Republic Update.** MCC's vice president for policy and international relations briefed the Board on the pending threshold proposal from Kyrgyzstan. The Board discussed the political situation in Kyrgyz Republic and the potential impact of an MCC threshold program. No decisions were reached and no vote was taken. At a later date, MCC's threshold program team will present a Kyrgyz Republic threshold program to the Board that addresses the *Ruling Justly* indicators.

The meeting adjourned at approximately 11:40 a.m.

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