

**SUMMARY OF THE DECEMBER 12, 2007 MEETING OF  
THE BOARD OF DIRECTORS  
OF THE MILLENNIUM CHALLENGE CORPORATION**

The following is a summary of the December 12, 2007 meeting of the Board of Directors (the "Board") of the Millennium Challenge Corporation ("MCC"), which was held in closed session at 2:00 p.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 M. Paulson, Jr. (Vice Chair), Secretary of Treasury)

Henrietta Fore, Administrator, USAID

John Veroneau, Deputy U.S. Trade Representative (Representing Susan Schwab, United States Trade Representative)

John J. Danilovich, Chief Executive Officer, MCC

Lorne W. Craner, Private Sector Member

William H. Frist, Private Sector Member

Kenneth F. Hackett, Private Sector Member

Alan J. Patricof, Private Sector Member

**INVITED GUEST:**

Stephen J. Hadley, National Security Advisor

**OTHER PARTICIPANTS** (at all or a portion of the meeting): Elizabeth L. Dibble (State); Clay Lowery Treasury; Mary Ryckman (USTR); James Kunder (USAID); Gretchen Birkle (Mr. Craner +1); Mauro De Lorenzo (Senator Frist +1); Dennis Shin (Mr. Hackett +1); Julie Sunderland (Mr. Patricof +1); Abigail Demopoulos (NSC +1); W. Geoff Anderson, Jr. (MCC); Charles O. Sethness (MCC); John Hewko (MCC) Rodney Bent (MCC); Maureen Harrington (MCC); Matthew McLean (MCC); Michael Ryan (MCC); Darius Mans (MCC); Henry Pitney (MCC); Michael Casella (MCC); Jonathan Bloom (MCC); Bunyan Bryant (MCC); Thomas Hohenthauer (MCC); Thomas Kelly (MCC); Monica Kladakis (MCC); Bradley Parks (MCC); Alicia Phillips Mandaville (MCC); Gina Porto (MCC); Frances Reid (MCC); Darius Teter (MCC); Sonia Tarantolo (State) Jason Mack (State); Sherri Kraham (MCC); Bruce Overton (MCC); Suzi Morris (MCC); and Robert Goldberg (OMB).

2. Administrative Resolutions. The Board approved the minutes of the September 12, 2007 Board meeting with one minor amendment; members of the Audit Committee approved minutes of the September 12, 2007 Audit Committee meeting.
3. CEO Update. The MCC CEO updated the Board on MCC operations, including anticipated compacts that will be signed in FY08, MCC's recent reorganization focused on marshalling resources for implementation, the outlook for the pipeline of future

compact depending on various FY08 funding scenarios, and projections on future disbursements and funds committed.

4. Compact Implementation Report. MCC's Vice President for Compact Implementation, Darius Mans, briefed the Board on the two most significant challenges with respect to countries in compact implementation, namely accelerating disbursements and addressing cost overruns that stem from a variety of causes, both internal and external to MCC.
5. FY 2008 MCA Eligibility and Threshold Selection. MCC's Vice President for Policy and International Relations, along with Members of the Office of Policy Development, presented the recommendations for eligible countries for both compact and threshold grants. In addition, they presented proposals for addressing partner countries that have slipped on the MCC indicators due to various reasons, e.g. gaps in data, addition of new indicators, graduation to a higher income category, or actual policy slippage. It was determined that MCC would continue with a robust remediation program – tailored to each individual country's situation – that would engage U.S. embassies and USAID missions. The policy team introduced a proposal not to re-select countries that have failed to pass the indicators three years in a row. And, finally, the concept of follow on threshold programs was introduced for those candidate countries that are near completion of their threshold program but are not yet ready for compact eligibility. Individual candidate countries were discussed at various points in the presentation.
6. By resolution, the Board voted to select Malawi as a compact eligible country in the low income country category (LIC) and to re-select the following current LIC eligible countries: Armenia, Benin, Bolivia, Burkina Faso, Georgia, Ghana, Honduras, Lesotho, Madagascar, Mali, Moldova, Mongolia, Morocco, Mozambique, Nicaragua, Senegal, Tanzania, Timor-Leste, and Vanuatu. Although the Board did not select any new countries in the lower middle income category (LMIC), upon resolution it re-selected the following current LMIC eligible countries: El Salvador, Jordan, Namibia, and Ukraine. With respect to the threshold program, the Board voted to select Mauritania and to re-select the following: Albania, Guyana, Indonesia, Kenya, Kyrgyz Republic, Niger, Paraguay, Peru, Rwanda, Sao Tome & Principe, Uganda, Yemen, and Zambia.
7. The meeting adjourned at approximately 3:45 p.m.

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