CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

We wish to inform of the intent to provide funding of up to \$255,000 for two activities to support the recently approved Compact with Cape Verde. These activities will facilitate and accelerate implementation of the Compact with Cape Verde.

The attached notification is being sent to the Congress on June 28, 2005. Allocation and obligation of funds may be incurred on or after fifteen days from the date of this notification. The obligation of funds will be made at the time the applicable agreement is effective.

Sincerely,

Frances C. McNaught Vice President Domestic Relations

Enclosure:

As stated

MILLENIUM CHALLENGE CORPORATION CONGRESSIONAL NOTIFICATION

June 28, 2005

PROGRAM: FY 2004 and FY 2005

Eligible Countries

APPROPRIATIONS CATEGORY: FY 2004 Program Funds

INTENDED FY 2005 OBLIGATION: \$255,000

In accordance with section 515 of the Foreign Operation, Export Financing, and Related Programs Appropriations Act 2004 (Div. D, P.L. 108-199) ("FOAA"), this is to advise that the Millennium Challenge Corporation ("MCC") intends to obligate up to Two Hundred Fifty Five Thousand Dollars (\$255,000) in FY 2004 MCC program funds. Pursuant to Section 609(g) of the Millennium Challenge Act of 2003 (the "Act"), MCC plans to fund activities to facilitate accelerated implementation of a Millennium Challenge Compact with the Government of Cape Verde. These funds will be used to support technical assistance related to baseline data collection. Specifically, these funds will be used to

- (1) Design an Agricultural Survey, and
- (2) Provide technical assistance, training and equipment to conduct baseline water table inventories and install water table monitoring equipment in the project watershed areas.

An independent contractor will be hired to design and organize a rural household survey to collect baseline data relevant to the impact of the Watershed Management and Agricultural Support Project of the Compact. This data is needed prior to starting the project's implementation. The consultant's activities include an analysis of existing and planned agricultural surveys; identification of beneficiaries in the intervention zones; and training of Cape Verdean extension workers to administer the survey. The survey will continue to be used on an annual basis for monitoring and evaluation purposes.

USGS will assist local representatives in establishing and maintaining water table monitoring networks in the three intervention watersheds. They will provide training in ground-water monitoring, initiate a ground-water inventory, and provide the necessary equipment. They will provide training to the Ministry of Agriculture and the National Institute for Water on the installation, use and maintenance of such equipment, and data analysis. The monitoring network will be useful in establishing sustainable national level natural resource management policies.

Both of these activities should be commenced before the rainy season begins, which could be as early as mid-August. These activities will facilitate and accelerate the implementation of the Compact with Cape Verde. The Watershed Management and Agriculture Support Project of the

Compact with Cape Verde is designed to increase agricultural productivity in three watersheds. The project will build infrastructures to capture water; improve the technical capacity of farmers, small agri-businesses and local municipalities through technical assistance and training; support processing and marketing efforts; and increase access to financial services in three rural intervention zones.