

**SUMMARY OF THE MARCH 11, 2008 MEETING OF
THE BOARD OF DIRECTORS
OF THE MILLENNIUM CHALLENGE CORPORATION**

The following is a summary of the March 11, 2008 meeting of the Board of Directors (the “Board”) of the Millennium Challenge Corporation (“MCC”), which was held in closed session at 10:00 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)

Ambassador Susan Schwab, United States Trade Representative

Henrietta Fore, Administrator, USAID

Clay Lowery, Assistant Secretary of International Affairs, (Representing David H.

McCormick, Under Secretary for International Affairs), for Henry M. Paulson, Jr. (Vice Chair), Secretary of Treasury

John J. Danilovich, Chief Executive Officer, MCC

Lorne W. Craner, Private Sector Member

Mauro De Lorenzo, (Representing William H. Frist, Private Sector Member)

Kenneth F. Hackett, Private Sector Member

Alan J. Patricof, Private Sector Member

OTHER PARTICIPANTS (at all or a portion of the meeting): Reuben Jeffery, III (State); Rachel Bayly (Treasury); Mary Ryckman (USTR); James Kunder (USAID); Rodney Bent (MCC +1); Gretchen Birkle (Mr. Craner +1); Dennis Shin (Mr. Hackett +1); Michael Magan (NSC +1); William G. Anderson, Jr. (MCC); John Hewko (MCC); Maureen Harrington (MCC); Matthew McLean (MCC); Michael Casella (MCC); Darius Mans (MCC); Henry Pitney (MCC); Matthew Bohn (MCC); James Mazarella (MCC); Dennis Nolan (MCC); Hap Carr (MCC); Lindsay Andrews (MCC); Carol Hessler (MCC); Sarah Lucas (MCC); Thomas Kelly (MCC); Monica Kladakis (MCC); Maria Longi (MCC); Malik Chaka (MCC); Bradley Parks (MCC); Alicia Phillips Mandaville (MCC); Gina Porto (MCC); Darius Teter (MCC); Jason Mack (State); Sherri Kraham (MCC); Bruce Overton (MCC); and Suzi Morris (MCC).

2. Administrative Resolutions. The Board approved the minutes of the December 12, 2007 Board meeting. The Secretary to the Board announced that he received proxies for the meeting from the Department of the Treasury and from William H. Frist. The Board approved the reservation of FY2008 Threshold Program funds not to exceed \$150 million.
3. CEO Update. The MCC CEO updated the Board on MCC operations, including MCC’s outreach to domestic and international media, his recent testimony before the House Appropriations Committee on Foreign Operations, the FY2009 budget request, and the status of compact implementation.

4. Proposed Revisions to MCC's Authorizing Legislation. Matt McLean, Vice President of Congressional & Public Affairs, made a presentation on the proposal to change MCC's statute and renew its authorization that has been circulating interagency. Board members discussed the relative priority of various provisions of draft legislation.
5. Business Intelligence Data Store ("BIDS") Presentation. Dennis Nolan, Deputy Chief Financial Officer, provided the Board information on the new database system being constructed to enable MCC to provide financial and program reports on a real-time basis to the Board, internal clients, the Congress and other overseers. There will be several levels of reporting. Phase I of the project will be rolled out this fiscal year.
6. Project Re-Estimates. Darius Mans, Vice President of Compact Implementation, reported on the factors that have created a need for restructuring six existing compacts, primarily in the infrastructure area. These include a worldwide construction boom and the accompanying escalation in construction materials, more complete cost information, etc. In addition, he outlined the approaches these six countries are taking to restructure their compacts, such as parallel financing and the elimination or rescaling of projects. In no cases were social-sector projects affected, and congressional staff have been briefed as the restructuring plans have taken shape.
7. Philippines Selection. The Board discussed materials provide by the Office of Development Policy that related to the Philippines performance on MCC's 17 indicators. Maureen Harrington, Vice President of Policy and International Relations, presented MCC's recommendation that the Philippines be selected as a compact-eligible country for FY 2008. Later in the meeting the Board unanimously voted to select the Philippines as compact eligible.
8. Kenya / Armenia Discussion. Board members discussed the effect of negative events in both Kenya and Armenia in recent weeks with respect to MCC's funding of programs (i.e. threshold program in Kenya, and compact with Armenia).
9. Audit Committee Report. Lorne Craner, acting as chair of the Audit Committee in the absence of Deputy Secretary Kimmitt, reported to the Board on the earlier meeting of the Audit Committee.
10. The meeting adjourned at approximately 11:30 a.m.

Distribution: MCC Website