

**SUMMARY OF THE DECEMBER 9, 2009 MEETING OF  
THE BOARD OF DIRECTORS  
OF THE MILLENNIUM CHALLENGE CORPORATION**

The following is a summary of the December 9, 2009 meeting of the Board of Directors (the “Board”) of the Millennium Challenge Corporation (“MCC”), which was held in closed session at 10:15 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:**

Hillary Rodham Clinton, Secretary of State (Chair)

Neal S. Wolin, Deputy Secretary

for Timothy F. Geithner, Secretary of Treasury (Vice Chair)

Ambassador Ron Kirk, United States Trade Representative

Alonzo Fulgham, Acting Administrator, U.S. Agency for International Development

Daniel W. Yohannes, Chief Executive Officer, MCC

Lorne W. Craner, Private Sector Member

William H. Frist, Private Sector Member

Alan J. Patricof, Private Sector Member

**INVITED GUEST:**

Mike Froman, Deputy Assistant to the President and national Security Advisor for International Economic Affairs, National Security Council

**OTHER PARTICIPANTS (at all or a portion of the meeting):** Robert D. Hormats (State +1); Scott Morris (Treasury+1); Mary Ryckman (USTR+1); Carol Gigsby (USAID +1); Darius Mans (MCC +1); Gretchen Birkle (Mr. Craner +1); Mauro DeLorenzo (Sen. Frist+1); Julie Sunderland (Mr. Patricof+1); Jonathan Bloom (MCC); Cassandra Butts (MCC); Meredith Cabelka (MCC); Christa Capazzola (OMB); Michael Casella (MCC); Romell Cummings (MCC); Dick Day (MCC); Mervyn Ellis (USAID); Courtenay Engelke (MCC); Karen Enstrom (State); James Gerard (MCC); David Kassebaum (MCC); Tom Kelly (MCC); Dean Koulouris (OMB); Sherri Kraham (MCC); John Mantini (MCC); Jim Mazarella (MCC); Dennis Nolan (MCC); Bruce Overton (MCC); Bill Pelton (Treasury); Henry Pitney (MCC); Gina Porto (MCC); Frances Reid (MCC); Sarah Rose (MCC); Aaron Sherinian (MCC); Mark Stroh (State); Darius Teter (MCC); and Tanya Young (MCC).

2. Administrative Resolutions. The Board approved the minutes from the September 9, 2009 meeting, as well as the minutes of the Audit Committee's June 10, 2009 meeting.
3. CEO Update. MCC's new CEO Daniel Yohannes reported on his recent meeting with the President of Benin. Mr. Yohannes expressed his desire to show results and promote innovation in the MCC process, his dedication to get further involvement from the private sector, and his commitment to work with other U.S. development agencies. Mr. Yohannes then asked Darius Mans, previously MCC's Acting CEO, to provide further updates on recent MCC activities. Mr. Mans reported that: MCC total obligations are over two billion dollars and disbursements are over one billion dollars; MCC is currently operating on a continuing resolution; and Congress approved the proposed legislative change regarding graduation of countries and it will become law once the omnibus appropriations bill is passed; and the administrative close-out of the Madagascar Compact will be completed by the end of the calendar year. Mr. Mans also provided the Board with an update on the Honduras compact program following the Board's actions at the September 2009 meeting. Secretary Clinton inquired about the status of the concurrent compacts legislation in Congress and Jim Mazarella, Acting Vice President for Congressional and Public Affairs, reported on the legislation's status in the House and Senate.
4. Country Selection. Sherri Kraham, Acting Vice President for Policy and International Relations, led the discussion of Compact and Threshold country selection. Ms. Kraham outlined the procedure for selecting MCC eligible countries. She explained that the three main areas for country selection are: availability of funds; if countries meet or pass the criteria; and the capability of the countries to reduce poverty.
5. Mongolia Compact Amendment. Frances Reid reported on the proposed restructuring of the Mongolia Compact. \$47.2 million dollars would be allocated for energy and environmental projects, \$79.7 million would be allocated to rehabilitate approximately 174 kilometers of a major highway and a 252 kilometer bridge over the Tuul River to accommodate heavy traffic into Mongolia's capital city, Ulaanbaatar.
6. Niger Threshold Program. Secretary Clinton led the discussion on the suspension of the Niger Threshold Program, given the recent actions of the Government of Niger, which constituted a significant policy reversal from the time the country was selected as eligible for a grant under the Threshold Program. The Board agreed on the importance of limiting the negative impact of a termination on the intended program beneficiaries, primarily girls and women,
7. Audit Committee Report. Mr. Wolin reported on the Audit Committee Meeting which was held just prior to the Board meeting.
8. Mr. Pitney, Acting Vice President and General Counsel, administered the voting on country selection and the Board unanimously approved the following: selection of Cape Verde for second compact eligibility; and selection of Indonesia, Jordan, Malawi, Moldova, the Philippines, and Zambia as compact eligible.

9. The Board unanimously approved the proposed Mongolia Compact Amendment and full suspension of the Niger Threshold Program. On Honduras, the Board agreed to give MCC management the discretion to life the operational hold.

10. The Board meeting was adjourned at 12:00 p.m.

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