

**SUMMARY OF THE DECEMBER 15, 2011  
MEETING OF  
THE BOARD OF DIRECTORS  
OF THE MILLENNIUM CHALLENGE CORPORATION**

The following is a summary of the December 15, 2011, meeting of the Board of Directors (the “Board”) of the Millennium Challenge Corporation (“MCC”), which was held in closed session at 3:00 p.m. at the U.S. Department of State, Washington, D.C.

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 Demetrios Marantis, Deputy USTR  
for Ambassador Ron Kirk, United States Trade Representative;  
Dr. Rajiv Shah, Administrator, U.S. Agency for International Development;  
Daniel W. Yohannes, Chief Executive Officer, MCC;  
Ambassador Mark Green, Private Sector Member; and  
Alan Patricof, Private Sector Member.

**INVITED GUESTS:**

Keri Lowery, Director for Democracy and Development (attending on behalf of Gayle Smith, National Security Council (Special Assistant to the President and Senior Director for Relief, Stabilization, and Development)); and Cristina Killingsworth, Program Examiner, (attending on behalf of Rob Fairweather, Deputy Associate Director for International Affairs, Office of Management and Budget.

**OTHER PARTICIPANTS** (at all or a portion of the meeting):

Cheryl Mills (State +1); Scott Morris (Treasury+1); Mary Ryckman (USTR+1); Steve Radelet (USAID+1); Steven Kaufmann (MCC+1); Chris Tuttle (Amb. Green+1); Julie Sunderland (Mr. Patricof+1); Nora Toiv (State); John Hurley (Treasury); Tom Crubaugh (USAID); Robin Matthewman (State); David Young (State); Heather Flynn (MCC); Frances Reid (MCC); Melvin F. Williams, Jr. (MCC Corporate Secretary); Chantale Wong (MCC); Patrick Fine (MCC); Chuck Cooper (MCC); Sheila Herrling (MCC); Henry Pitney (MCC); Margaret Yao (MCC); Jonathan Bloom (MCC); Tom Hurley (MCC); John Mantini (MCC); Bruce Overton (MCC); Carl Fleming (MCC); Nasserie Carew (MCC); Jim Parks (MCC); Andria Hayes-Birchler (MCC); Alicia Mandaville (MCC); Tom Kelly (MCC); Arianne Gauchat (MCC); Susie Sullivan (MCC); and Romell Cummings (MCC).

1. Administrative Resolutions. The Board approved the minutes from the September 28, 2011, meeting.
2. CEO Update. MCC CEO Daniel Yohannes began his update with thanks to Secretary Clinton, who signed the Indonesian compact on behalf of the U.S. government, in Bali,

Indonesia, on November 19, 2011. The \$600 million compact will play a significant role in reducing poverty in Indonesia. Mr. Yohannes also participated in the Fourth High Level Forum on Aid Effectiveness in Busan, South Korea with Secretary Clinton and USAID Administrator Rajiv Shah. Mr. Yohannes then provided updates on partner countries. Jordan's compact entered into force in December, obligating funds in the amount of \$275 million. The event was officiated by Ambassador Jones and Jordanian officials that included MCC and MCA-Jordan representatives. Ghana will be the next compact to close and MCC expects major works will be completed in transportation, property rights and agricultural development.

Mr. Yohannes gave a status report on the Malawi compact. Mr. Yohannes noted that the Government of Malawi has taken a number of very positive steps that MCC wants to encourage, but that the Malawians must maintain that momentum, therefore MCC has decided to maintain the operational hold on the Malawi compact.

3. Cape Verde II Compact. Patrick Fine, Vice President of MCC's Department of Compact Operations (DCO), provided a brief overview of the \$66 million Cape Verde II Compact, which maintains MCC's core objective of poverty reduction and growth. Mr. Fine reported that this is the first second compact for MCC, and meets the higher standards MCC has set for second compacts. Mr. Fine also noted that the compact focuses on water, sanitation and land management, and leverages investments from the private sector.
4. FY 2012 Selection Process. Sheila Herrling, Vice President of the Department of Policy and Evaluation (DPE), led the discussion on MCC's selection process, and reminded the Board that MCC's legislation directs the Board to consider country policy performance; the opportunity to reduce poverty and generate economic growth; and MCC funds available when making selection decisions. Ms. Herrling said that, in addition to those requirements, during second compact eligibility the Board should consider the performance of the country's first compact.
5. Audit Committee Report. Alan Patricof, Chair of the Audit Committee, reported that the Committee met to discuss the ongoing audit activity and that through hard work and cooperation with MCC management and MCA partners, MCC has received a clean opinion for 2011.
6. Executive Session. The Board voted to approve Cape Verde II Compact. The Board selected Benin and El Salvador as compact eligible; selected Nepal and Honduras as Threshold eligible; and reselected Cape Verde, Georgia, Ghana, and Zambia as compact eligible.

The Board meeting was adjourned at 4:45 p.m.

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