



MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

QUARTERLY STATUS REPORT



Senegal Compact

AS OF SEPTEMBER 2012

COMPACT GOAL

Senegal's \$540 million MCC Compact aims to reduce poverty and increase economic growth by unlocking the country's agricultural productivity and expanding access to markets and services through improvements to critical infrastructure in the Senegal River Valley (northern Senegal) and the Casamance region (southern Senegal). MCC's investments are consistent with the Government of Senegal's national poverty reduction, food security and road sector master plans.



COMPACT AT A GLANCE

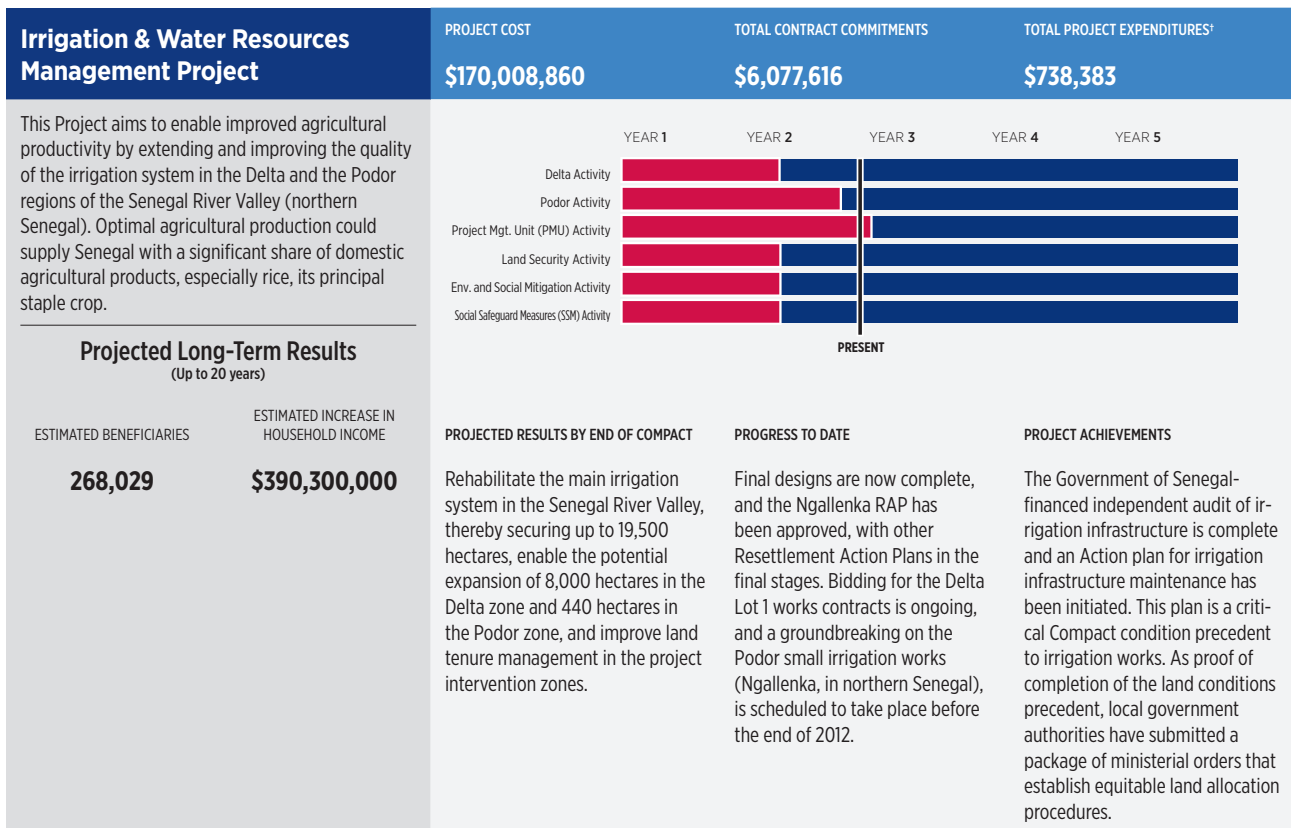
Compact Signed	09-16-2009
Entry Into Force	09-23-2010
Compact End Date	09-23-2015
Compact Total	\$540,000,000
Amount Committed	\$48,374,894
Amount Expended	\$12,797,784
Estimated Program Beneficiaries	1,662,129
Estimated Increase in Household Income	\$863,300,000

% OF TOTAL COMPACT BUDGET (USD MILLIONS)

60%	Roads Rehabilitation Project	\$324.0
31%	Irrigation & Water Resources Management Project	\$170.0
1%	Monitoring and Evaluation	\$3.7
8%	Program Administration and Audit	\$42.1

■ Project Preparation ■ Project Implementation

Roads Rehabilitation Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES ¹				
	\$324,062,499	\$29,688,617	\$2,645,441				
<p>The Project aims to rehabilitate up to 120 kilometers of national road #2 (RN2) and up to 256 kilometers of national road #6 (RN6). This rehabilitation work seeks to provide year-round, reliable, cost-effective, and time-saving means of transporting locally-produced agricultural products to domestic and international markets.</p>							
<p>Projected Long-Term Results (Up to 20 years)</p> <table border="1"> <tr> <td style="text-align: center;">ESTIMATED BENEFICIARIES</td> <td style="text-align: center;">ESTIMATED INCREASE IN HOUSEHOLD INCOME</td> </tr> <tr> <td style="text-align: center;">1,476,000</td> <td style="text-align: center;">\$473,300,000</td> </tr> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	1,476,000	\$473,300,000	<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>Rehabilitate approximately 120 kilometers of the RN2, from Richard Toll to Ndioum in northern Senegal (part of which is adjacent to the Irrigation and Water Resources Management Project intervention zone). Rehabilitate 256 kilometers of the RN6 from Ziguinchor to Kounkane in southern Senegal.</p>	<p>PROGRESS TO DATE</p> <p>Resettlement and technical designs are being finalized, and all works Invitations for Bids (IFBs) have or will launch in FY2012. Groundbreaking for the Ndioum Bridge (in the north) is planned for November 2012, with all other major works contracts being signed between November 2012 and April 2012.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>The Government of Senegal has agreed with MCC on a schedule to reduce and eventually eliminate the gap between the annual roads maintenance funding needs and the actual available annual funds to carry out maintenance, in fulfillment of the initial Condition Precedent necessary for MCC to authorize initial construction works disbursements.</p>
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME						
1,476,000	\$473,300,000						



With three years left in the compact, MCA is entering the construction phase in both roads and irrigation projects. Resettlement and compensation of several thousand project affected people is ongoing, and MCC and MCA-Senegal are collaborating closely to manage the construction calendar, cost and quality. The Government of Senegal has committed \$12 million for potential cost overruns, and has agreed to sign supplemental agreements committing funds in 2014 and 2015 if necessary.

Proper management of resettlement issues remains a top priority to ensure compensation is timely and all affected persons are efficiently and fairly compensated. MCC/MCA-Senegal are employing high quality GIS maps and identifying opportunities to minimize the number of affected people. MCA-Senegal is evaluating compensation options after land initially expected to be used for in-kind compensation was determined not to be suitable.

The Land Tenure Security Activity has had great success reforming existing land tenure legislation in the Senegal River Valley. MCA-Senegal has been requested to preside over a working group with the objective of developing policy and legislative mechanisms (i.e., reforming existing land tenure legislation) to reproduce these efforts on a national scale. The land activity remains on-time and on-budget.

[†]Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.