



CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

We wish to inform you that the Millennium Challenge Corporation intends to obligate up to \$750,000 to facilitate the development and implementation of a Millennium Challenge Compact with the Government of Tunisia.

The attached notification is being sent to the Congress on March 6, 2017. Obligation of funds may be incurred on or after fifteen 15 days from the date of this notification.

In addition, we have attached supplemental information that further describes the planned use of the funds.

Sincerely,

/s/

James Mazarella
Vice President (Acting)
Congressional and Public Affairs

Enclosures: As stated

**MILLENNIUM CHALLENGE CORPORATION
CONGRESSIONAL NOTIFICATION**

March 6, 2017

PROGRAM:	Eligible Countries
APPROPRIATIONS CATEGORY:	Fiscal Year 2017 Program Funds
OBLIGATION AMOUNT:	\$750,000

Pursuant to section 7015(c) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2016, as carried forward by the Continuing Appropriations Act, 2017, as amended, this is to advise that the Millennium Challenge Corporation (“MCC”) intends to obligate up to \$750,000 under section 609(g) of the Millennium Challenge Act of 2003, as amended, for the purpose of facilitating the development and implementation of a Millennium Challenge Compact (“Compact”) with the Government of Tunisia.

MCC plans to finance initial administrative expenses required to ensure prompt development of comprehensive preliminary analysis activities, including the completion of an analysis of constraints to economic growth, public consultations, and detailed assessments of the core problems and underlying root causes of the identified binding constraints.

SUPPLEMENTAL INFORMATION - MCC 609(g) Activities for Tunisia

Background

The Government of Tunisia has made significant progress in its democratic transition since the Arab Spring and the Tunisian revolution in 2011. For fiscal year 2017, Tunisia has passed 13 out of 20 policy indicators on its MCC scorecard, including both the Democratic Rights and Control of Corruption “hard hurdles.” Notably, Tunisia performs very strongly on the Democratic Rights “hard hurdle,” passing the Political Rights indicator at 37 (out of 40, with a minimum of 18 to pass), and Civil Liberties at 42 (out of 60, with a minimum of 26 to pass). The MCC Board of Director’s decision to select Tunisia as eligible to develop a compact program on December 13, 2016, is a tribute to Tunisia’s strong policy performance.

Planned 609(g) Activities

MCC’s compact development process begins with a diagnostic analysis intended to identify a country’s binding constraints to economic growth (the “Constraints Analysis”). Timely completion of the Constraints Analysis and agreement on binding constraints, as well as completion of related public consultations and initial sector assessments, represent a critical, initial milestone in MCC’s compact development process.

MCC intends to use funding under section 609(g) of the Millennium Challenge Act of 2003, as amended, to finance the Government of Tunisia’s initial administrative expenses necessary to ensure timely completion of a comprehensive Constraints Analysis and related analyses. Such expenses may include initial salaries for critical, dedicated technical experts, such as economists, social, gender and private sector experts, monitoring and evaluation expertise, and a designated national coordinator; support for public consultations; and related administrative expenses. The planned funding will ensure that the Government of Tunisia and MCC have early access to the technical expertise needed to conduct a rigorous Constraints Analysis, as well as related analyses, thereby setting the stage for robust project proposal(s) and facilitating the development of an MCC compact.