

**SUMMARY OF THE JUNE 19, 2013
MEETING OF THE BOARD OF DIRECTORS
OF THE MILLENNIUM CHALLENGE CORPORATION**

The following is a summary of the June 19, 2013, meeting of the Board of Directors (the “Board” of the Millennium Challenge Corporation (“MCC”), which was held in closed session at 10:24 a.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:

Honorable John F. Kerry, Secretary of State, (Chair);
Lael Brainard, Under Secretary, (attending for Jacob J. Lew, Secretary of Treasury)
(Vice Chair);
Ambassador Miriam Sapiro, Acting United States Trade Representative (USTR);
Eric Postel, Assistant Administrator, (attending for Dr. Rajiv Shah, Administrator, U.S.
Agency for International Development (USAID));
Daniel W. Yohannes, Chief Executive Officer of MCC;
Ambassador Mark Green, Private Sector Member; and
Adna Karamehic-Oates (attending for Morton Halperin, Private Sector Member).

INVITED GUESTS:

Gayle Smith, Special Assistant to the President and Senior Director,
National Security Staff (NSS);
Cristina Killingsworth, Program Examiner, Office of Management and Budget (OMB);
Michael Carroll, Acting Inspector General (USAID);
Tim Cox, Assistant Inspector General (USAID); and
Rick Taylor, Deputy Assistant Inspector General (USAID).

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

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| 1. Heather Higginbottom (State+1); | 12. Luke Ney (USAID); |
| 2. John Hurley (Treasury+1); | 13. Melvin F. Williams, Jr. (MCC); |
| 3. Virginia Brown (USAID+1); | 14. Cassandra Butts (MCC); |
| 4. Mary Ryckman (USTR+1); | 15. Lia Hanley (MCC); |
| 5. Steven Kaufmann (MCC+1); | 16. Frances Reid (MCC); |
| 6. Chris Tuttle (Green+1); | 17. Paul Weinberger (MCC); |
| 7. Keri Lowery (NSS+1); | 18. Chantale Wong (MCC) |
| 8. Daniella Ballou-Aares (State); | 19. Sheila Herrling (MCC); |
| 9. Roland DeMarcellus (State); | 20. Jonathan Bloom (MCC); |
| 10. Rebecca Grutz (State); | 21. Tom Kelly (MCC); |
| 11. Lailee Moghtader (Treasury) | 22. Tom Hurley (MCC); |

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| 23. Jolyne Sanjak (MCC) | 28. Jim McNicholas (MCC); |
| 24. Nasserie Carew (MCC); | 29. Sonia Shahrighian (MCC); |
| 25. Terry Bowie (MCC); | 30. Ryan Moore (MCC); |
| 26. John Mantini (MCC); | 31. Pamela Woodard (MCC); and |
| 27. Kyeh Kim (MCC); | 32. Meredith Cabelka (MCC). |

The Chair called the meeting to order at 10:24 a.m.

1. Administrative Resolutions. The Board approved the minutes from the March 14, 2013, meeting.

2. CEO Update. Mr. Yohannes introduced the new USAID Acting Inspector General and members of his staff who are working with MCC. The CEO reported that five Compacts are closing this year: Lesotho, Mongolia, Morocco, Mozambique, and Tanzania; and noted that in the case of the \$363 million Lesotho Compact, MCC was able to leverage that investment with an additional \$650 million from other donors, as well as the Government of Lesotho. During a trip to Senegal in May, the CEO engaged with the Government at the highest level to ensure they take ownership for the complex infrastructure projects and population resettlements. In Benin, MCC is proceeding with due diligence on proposed agribusinesses and infrastructure program. It was noted that the limitation on funds impacts the scope of compacts, potentially weakening MCC's ability to persuade host countries that the MCC model is the appropriate one in terms of relying more on markets, and openness in bidding and procurement. MCC support and collaboration with other U.S. Government agencies in addressing trade and economic policy concerns in partner countries was also noted.

3. Georgia Compact. The CEO introduced the Georgia Compact presentation. In Georgia, the quality of human capital was identified as a binding constraint to growth, in particular science, technology, engineering and math skills. The proposed Compact builds upon and complements USAID's work in this area. Through collaboration with USAID and the World Bank in the development process, and through business and labor market surveys conducted together with the Government, a small, focused second Compact has been developed to address systemic failures in the country's education system.

4. Compact Close-outs. The CEO then introduced the Compact close-out presentation by the Department of Compact Operations. An overview was given of the close-out of Compacts in Lesotho, Mongolia, Morocco, Mozambique and Tanzania, highlighting results and lessons learned from those Compacts.

5. Audit Committee Report. The Vice Chair presented the Audit Committee report, noting findings of MCC's external auditor related to their audit of Fiscal Year 2012 financial statements and actions taken by MCC to be responsive in addressing the auditor's recommendations. The report also covered recommendations by the Office of the Inspector General related to

performance audits undertaken of MCC programs in Ghana, El Salvador, and Mozambique, and steps taken by MCC to address those recommendations.

6. Executive Session. The Board voted to approve the Georgia Compact.

The Board meeting adjourned at 11:31 a.m.