



CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

We wish to inform you that the Millennium Challenge Corporation intends to obligate up to \$8,000,000 to facilitate the development and implementation of a Millennium Challenge Compact with the Government of the Republic of Ghana.

The attached notification is being sent to the Congress on March 21, 2013. Obligation of funds may be incurred on or after 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/

Paul Weinberger
Vice President
Congressional and Public Affairs

Enclosure:
As stated

**MILLENNIUM CHALLENGE CORPORATION
CONGRESSIONAL NOTIFICATION**

March 21, 2013

PROGRAM:	Eligible Countries
APPROPRIATIONS CATEGORY:	FY 2013 Program Funds
OBLIGATION AMOUNT:	\$8,000,000

Pursuant to section 7015(c) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2012 (Pub. L. 112-74, Division I), as carried forward by the Continuing Appropriations Resolution, 2013 (Pub. L. 112-175) this is to advise that the Millennium Challenge Corporation (“MCC”) intends to obligate up to \$8,000,000 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 the Republic of Ghana.

The funds are expected to finance activities necessary for MCC to assess the expected impact of the proposed investments, further design activities and develop implementation strategies. Funding these activities reflects MCC's commitment to preparing projects in a comprehensive manner, prior to Compact signing, to reduce implementation risk and increase confidence in the economic justification and technical feasibility of the proposed projects.

SUPPLEMENTAL INFORMATION

MCC 609(g) Activities for Ghana

The Government of the Republic of Ghana (“*GoG*”) successfully completed its first MCC compact – an ambitious \$547 million investment focused on private sector-led agribusiness development and to enhance the competitiveness of Ghana’s agricultural products in regional and international markets – on February 16, 2012. Having been selected as eligible to develop a subsequent compact, the GoG has submitted a series of project proposals to address the constraints Ghana’s power sector causes to economic growth. Under Section 609(g) of the Millennium Challenge Act of 2003, as amended, MCC will finance activities necessary to assess the expected impact of the proposed investments, further design activities and develop implementation strategies for a subsequent compact.

The initial draft of Ghana’s second compact proposal reflects MCC’s expectation of an evolution in the nature of its relationship with countries eligible to develop subsequent compacts. In addition to requiring significant partner country resources in compact development and implementation, MCC has communicated to Ghana the need to concentrate on compact development, include sector policy and institutional reform in the compact, and engage the private sector and leverage investments from other donors.

Ghana was also selected as one of only four countries to participate in the Partnership for Growth (“*PFG*”), a U.S. whole-of-government approach that coordinates USG assistance to a select group of high performing developing countries in an effort to accelerate broad-based economic growth.

The constraints analysis required for the MCC compact development process identified insufficient and unreliable electrical power as one of three binding constraints to economic growth in Ghana. Based on an assessment of the concept proposals from the GoG, as well as consultation with the private sector and civil society, MCC has approved further development of a power sector program focused on improving the financial and operational viability of the distribution sector, enabling private sector investment in additional generation capacity, and increasing equitable access to electricity, with cross-cutting emphasis on sector governance and reform, through the following proposed measures:

- **Generation Project** would aim to increase private sector investment in generation through both hard and soft investments, in both infrastructure and reform, so that Ghana may meet its growing demand for electricity.
- **Distribution Project** would aim to strengthen performance and accountability in the distribution sector through structural investments and operational interventions.
- **Access Project** would aim to increase access to electricity throughout the country through infrastructure upgrades.

In order to assist the GoG to further develop the proposed compact investment, MCC intends to fund preparatory activities that are expected to include the following:

- **Generation Project:** Fund technical assistance to design strategies to capture private sector investment in the generation sector, and to design sector reform strategies to support Ghana's goal of increasing investment in the power sector, as well as related feasibility and environmental and social impact studies.
- **Distribution Project:** Fund feasibility studies to address technical, environmental and resettlement issues in the distribution sector, and conduct institutional and financial studies of the sector to identify compact interventions to improve the financial and operational viability of Ghana's power utilities.
- **Access Project:** Fund feasibility studies to improve access in peri-urban and economic enclaves.
- **Gender and Social Performance, and Monitoring and Evaluation:** Fund studies and data collection to ensure full integration of gender analysis into each project area, and fund baseline and target data collection for monitoring and evaluation needs under the compact.