



Millennium Challenge Corporation

Reducing Poverty Through Growth

MILLENNIUM CHALLENGE CORPORATION CONGRESSIONAL NOTIFICATION

February 6, 2006

PROGRAM:	FY 2004 Eligible Country
APPROPRIATIONS CATEGORY:	FY 2004 MCC Funds
INTENDED FY 2006 OBLIGATION:	\$75,000

In accordance with section 515 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act 2004 (Div. D, P.L. 108-199), this is to advise that the Millennium Challenge Corporation (“MCC”) intends to obligate up to seventy-five thousand U.S. Dollars (\$75,000) in FY 2004 MCC program funds to pay for key staff salaries, legal services, and publication fees for recruitment and procurement that will be needed to conclude the necessary actions and documentation for entry into force (“EIF”) and first disbursement (“FD”) under the Compact.

MCC signed a Compact with the Government of Nicaragua (“GoN”) on July 14, 2005, and has since worked in partnership with the GoN MCA team to finalize implementation planning activities and conclude necessary documentation. However, due to political uncertainties, staff turnover on the GoN MCA team, and delays caused by the need for Compact ratification, EIF and FD have taken longer and have been more complicated than originally anticipated. However, now that the GoN has demonstrated the intent to submit the Compact for ratification, these funds will enable the GoN to accelerate the completion of agreements and plans, and will ensure a more rapid EIF and FD.

This bridge funding will cover the costs associated with salaries for three key MCA transition team members, legal services to assist in documentation review, and publication fees for recruitment and procurement of important MCA-Nicaragua staff and procurements necessary for FD. The timing of this assistance – which we expect to disburse in February – is driven primarily by the need for MCA-Nicaragua to seek outside legal counsel to assist it in reviewing the principal documents necessary for EIF and FD, to advertise for MCA-Nicaragua positions that must be filled prior to EIF and FD, and to pay the salaries of key MCA transition team members who are essential to moving these processes forward within the GoN.

The 609(g) agreement will include language to ensure that such amounts will be counted towards the total Compact amount of up to \$175,000,000 and will not represent an incremental increase in the overall MCA funding commitment to the GoN.