



Millennium Challenge Corporation

Reducing Poverty Through Growth

MILLENNIUM CHALLENGE CORPORATION CONGRESSIONAL NOTIFICATION

March 13, 2006

PROGRAM:

Eligible Countries

APPROPRIATIONS CATEGORY:

FY 2005 MCC Funds

INTENDED FY 2006 OBLIGATION:

\$500,000

In accordance with section 515 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act 2005 (Div. D, P.L. 108-447), this is to advise that the Millennium Challenge Corporation (“MCC”) intends to obligate up to Five Hundred Thousand U.S. Dollars (USD \$500,000) in FY 2005 MCC program funds pursuant to the authority of Section 609(g) of the Millennium Challenge Act of 2003 (the “Act”).

The United States, acting through MCC, and the Government of the Republic of Armenia (“GoAM”) expect to sign a Millennium Challenge Compact on March 27, 2006 through which MCC will grant up to Two Hundred Thirty-Five Million Six Hundred Fifty Thousand U.S. Dollars (USD \$235,650,000) of FY 2005 Millennium Challenge Account (“MCA”) funds. In order to accelerate implementation and conclude the necessary actions and documentation for entry into force and first disbursement under the Compact, MCC intends to obligate up to USD \$500,000 of these funds at the time of signing of the Compact (“Compact Implementation Funding”). We expect that most of the Compact Implementation Funding will be used during the first few months after Compact signing. However, in the case some funds are not utilized in that initial period, the Compact includes language that will enable the continued use of those funds for up to five years after the signing of the Compact.

The Compact Implementation Funding will cover the costs associated with the establishment of the entity that will implement the MCA program in Armenia (“MCA-Armenia”). The timing of this assistance – which we expect to begin disbursing April 2006 – is driven primarily by the need for MCA-Armenia to pay for salaries of key officers, obtain office space and conduct fiscal and procurement administration activities. The Compact will include language to ensure that the Compact Implementation Funding will be counted towards the total Compact amount of up to \$235,650,000 and will not represent an incremental increase in the overall MCA funding commitment to the GoAM.