



# Millennium Challenge Corporation

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Reducing Poverty Through Growth

## CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

We wish to inform of the intent to provide funding of up to \$4,155,000 for the government of the Republic of Georgia to facilitate development and implementation of a Compact with Georgia.

The attached notification is being sent to the Congress on May 4, 2005. Allocation and obligation of funds may be incurred on or after fifteen days from the date of this notification. The obligation of funds will be made at the time the applicable agreement is effective.

Sincerely,

Frances C. McNaught  
Vice President  
Domestic Relations

Enclosure:  
As stated

**MILLENIUM CHALLENGE CORPORATION  
CONGRESSIONAL NOTIFICATION**

May 4, 2005

PROGRAM:	FY 2004 and FY 2005 Eligible Countries
APPROPRIATIONS CATEGORY:	FY 2004 Program Funds
INTENDED FY 2005 OBLIGATION:	\$4,155,000

In accordance with section 515 of the Foreign Operation, Export Financing, and Related Programs Appropriations Act 2004 (Div. D, P.L. 108-199) (“FOAA”), this is to advise that the Millennium Challenge Corporation (MCC) intends to obligate up to Four Million One Hundred Fifty Five Thousand Dollars (\$4,155,000) in FY 2004 MCC program funds. These funds will be used by MCC for the Republic of Georgia for the activities described below.

Pursuant to Section 609(g) of the Millennium Challenge Act of 2003 (the “Act”), MCC plans to undertake activities to facilitate the development and, subject to appropriate approvals and notifications, implementation of a Compact with Georgia. Georgia’s Compact proposal is designed to reduce poverty in regions outside of Tbilisi through rehabilitation of key infrastructure and stimulation of private enterprise, and MCC is well-advanced toward completing due diligence. The proposed Samtskhe-Javakheti Road (the Road) is the single largest component of the proposal and a high priority for the government. Its rehabilitation is aimed at removing a key impediment to the economic development of the Samtskhe-Javakheti region and to reducing poverty in one of the poorest regions in Georgia.

Specifically, the funding will be used for: (1) preparing the design, detailed engineering, and an environmental impact assessment (EIA); (2) providing a baseline property inventory; and (3) contracting for a project manager to coordinate these activities on behalf of the Georgian government through Millennium Challenge Georgia.

MCC will enter into documentation with the government of Georgia to set out the terms of the grant, including procurement principles for selecting and engaging the service providers, terms of reference for service providers, disbursement and payment procedures, auditing, accounting and reporting requirements and other specifications for the use of the MCC funds.

If the Compact is approved by MCC’s Board, MCC will ensure, prior to providing any funding for the Road under the Compact, the satisfaction of appropriate conditions precedent, including satisfactory completion of the design, detailed engineering, EIA, baseline property inventory and related preparatory activities.

Regardless of whether the MCC Board ultimately approves the Compact for Georgia, the activities funded with this assistance will benefit the country’s efforts for reducing poverty in the Samtskhe-Javakheti region.