



**MILLENNIUM  
CHALLENGE  
CORPORATION**

REDUCING POVERTY THROUGH GROWTH

**CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET**

We wish to inform the Congress of our intent to provide funding of up to \$480,943,569 for a Millennium Challenge Compact with the Government of Burkina Faso.

Obligation of funds may be incurred on or after 15 days from the date of this notification.

The attached notification is being sent to Congress on June 18, 2008.

Sincerely,

Matthew K. McLean  
Vice President  
Congressional and Public Affairs

Enclosure:  
As stated

## CONGRESSIONAL NOTIFICATION

June 18, 2008

Pursuant to Sections 615(c) and 699I(b)(3) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (Public Law 110-161), the Millennium Challenge Corporation (“MCC”) wishes to notify the Congress of its intent to sign a Millennium Challenge Compact (“Compact”) with the Government of Burkina Faso (“GoBF”) through which MCC will grant up to a total amount of \$480,943,569 of fiscal year (“FY”) 2008 funds under the Millennium Challenge Act of 2003 (the “Act”). MCC intends to obligate up to \$464,842,504 under Section 605 of the Act when the Compact enters into force. In order to accelerate implementation of the Compact, MCC will obligate up to \$16,101,065 (“Compact Implementation Funding”) under Section 609(g) of the Act when the Compact is signed. After the Compact enters into force, Compact Implementation Funding that is not needed to accelerate implementation of the Compact may be deobligated, and up to an equivalent amount of funding may be obligated under Section 605 of the Act. Such funding is included in the total amount of MCC funds under the Compact and will not increase total Compact funding.

Compact funds will support the following projects (each, a **Project**):

1. Rural Land Governance Project
2. Agriculture Development Project
3. Roads Project
4. BRIGHT 2 Schools Project

Under Section 610(a) of the Act, the appropriate Congressional committees were notified on January 10, 2008 of MCC’s intent to commence negotiations with Burkina Faso. Key elements of the Compact are set forth in the accompanying summary. MCC will provide final text no later than 10 days after the execution of the Compact, as provided in Section 610(b) of the Act.

## **MILLENNIUM CHALLENGE COMPACT BETWEEN THE UNITED STATES OF AMERICA, ACTING THROUGH THE MILLENNIUM CHALLENGE CORPORATION, AND THE GOVERNMENT OF BURKINA FASO**

The Millennium Challenge Corporation's (MCC) Board of Directors has approved a five-year, \$480.94 million compact with the Government of Burkina Faso aimed at reducing poverty and increasing economic growth. Specifically, the compact will increase investment in land and rural productivity through improved land tenure security and land management; increase the volume and value of agricultural production through investments in water management and irrigation, technical assistance to farmers, and rural credit; increase opportunities for farmers to sell agricultural goods and livestock by rehabilitating rural and primary roads; and, as an extension of Burkina Faso's successful MCC threshold program, fund the construction of three classrooms each at 132 "girl-friendly" schools for grades 4 through 6.

### **Background**

Burkina Faso is a landlocked country in Africa's Sahel region with a population of over 15 million. It is one of the poorest countries in the world, ranking 176 out of 177 countries as surveyed by the United Nations Development Program's 2007 Human Development Index. In an effort to address constraints to investment, Burkina Faso has undertaken several broad macroeconomic reforms since the mid-1990s, including market-oriented reforms, decentralization of power from the central government to local governments, adoption of a new labor code and business climate improvements. In light of these efforts, in 2007, the International Finance Corporation named Burkina Faso one of the top business climate reformers in Africa. Despite these reforms and recognitions, Burkina Faso continues to face severe constraints to growth and poverty reduction.

### **Rural Land Governance Project (\$59.93 million)**

The rural land governance project will increase investment in land and rural productivity through improved land tenure security and land management. Specifically, the project will assist the Government of Burkina Faso to achieve its goal of a new rural land tenure framework by improving access to formal land use rights and promoting sustainable management of land resources. The project consists of the following three activities:

- *Legal and Procedural Change and Communication* to support the Government of Burkina Faso's efforts to develop and implement improved rural land legislation and other legal and procedural frameworks;
- *Institutional Development and Capacity Building* to improve institutional capacity and deliver land services in rural areas; and
- *Site-Specific Land Tenure Interventions* to ensure that the preceding two activities yield their intended benefits across municipalities and in targeted agricultural development zones.

### **Agriculture Development Project (\$141.91 million)**

The agriculture development project will expand the productive use of land and increase the volume and value of agricultural production. The project seeks to improve poor water resource availability and management, weak beneficiary capacity and access to markets, pricing information and credit. The project consists of the following three activities:

- *Water Management and Irrigation* to ensure adequate water availability, water delivery, flood control and dam safety to support investments in the Sourou Valley and improve water resource management in the Comoé Basin;
- *Diversified Agriculture* to build on the delivery of water by supporting on-farm production and related activities throughout the agricultural value chain; and
- *Access to Rural Finance* to increase medium- and long-term credit in the four western regions of Sud-Ouest, Hauts Bassins, Cascades, and Boucle du Mouhoun.

### **Roads Project (\$194.13 million)**

The roads project will facilitate trade and communications with regional and international markets, improve local connectivity of farms to markets and improve access to social services in rural communities through strategic improvements to the road transportation network. The project will increase access to agricultural markets by upgrading primary and rural road segments serving the Sourou Valley and the Comoé Basin, reducing travel time to markets and vehicle operating costs. The project will also ensure the sustainability of the road network by strengthening road maintenance. The project consists of the following four activities:

- *Development of Primary Roads* to support the improvements of three primary road segments in western Burkina Faso;
- *Development of Rural Roads* to support the improvement of approximately 151 kilometers of road segments located in three rural areas in the Comoé Basin of southwestern Burkina Faso;
- *Capacity Building and Technical Assistance* to reinforce the effectiveness of existing government agencies and private sector institutions involved in road maintenance planning and implementation; and
- *Incentive Matching Fund for Periodic Road Maintenance* to set the government on a path toward long-term, sustainable funding of maintenance on the full road network in Burkina Faso.

### **BRIGHT 2 Schools Project (\$28.83 million)**

The BRIGHT 2 schools project extends Burkina Faso's successful MCC threshold program which helped construct 132 schools consisting of three classrooms each (grades 1 through 3). The project includes the construction of up to fifty additional boreholes, an additional 132 classrooms each for grades 4 through 6 and 122 kindergartens, including playgrounds and equipment. The project will also provide daily meals during all nine months of the school year for an estimated 13,000 children. The project will also fund a social mobilization campaign and an adult literacy and management of micro-projects activity. The United States Agency for International Development will administer and manage the implementation of the BRIGHT 2 schools project.

**Administration**

The compact also includes approximately \$48.26 million for administrative and oversight costs of the projects, including the cost of administration, management, auditing as well as fiscal and procurement agent services and environmental and social oversight. The cost of monitoring and evaluation of the compact is \$7.88 million.

**Expected Results**

- Through the rural land governance project, up to 2,490,000 individuals from 47 of Burkina Faso's 302 rural municipalities will have access to local land registration and titling services, including up to 138,000 individuals who will benefit from up to 23,000 land titles that are expected to be delivered.
- Under the agricultural development project, up to 150,000 farmers, herders and other traders will benefit from improved agricultural and livestock production conditions, better water management and improved access to credit.
- A portion of the 2.4 million inhabitants of the nine provinces surrounding the primary roads and up to 65,000 inhabitants of the 30 villages serviced by rural roads will benefit from the road project.
- The BRIGHT 2 schools project is expected to benefit up to 19,800 children, including 9,900 girls.