



Millennium Challenge Corporation

Reducing Poverty Through Growth

CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

We wish to inform of the intent to provide funding of up to \$6,000,000 for the purpose of facilitating the development of a Millennium Challenge Compact with the Government of Mozambique and, if a Compact is concluded, the implementation of such Compact.

The attached notification is being sent to the Congress on August 22, 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

**MILLENNIUM CHALLENGE CORPORATION
CONGRESSIONAL NOTIFICATION**

August 22 , 2005

PROGRAM: FY 2004 and FY 2005
Eligible Countries

APPROPRIATIONS CATEGORY: FY 2004 Program Funds

INTENDED FY 2005 OBLIGATION: \$6,000,000

In accordance with section 515 of the Foreign Operations, 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 six million U.S. Dollars (\$6,000,000) in FY 2004 MCC program funds. Pursuant to Section 609(g) of the Millennium Challenge Act of 2003 (the “Act”), MCC plans to fund activities to facilitate the development of, and subject to appropriate approvals, notifications and the conclusion of a Millennium Challenge Compact (“Compact”) with the Government of Mozambique (“GoM”), the acceleration of Compact implementation.

Specifically, these funds will be used for some or all of the following:

1) Technical Preparation and Analysis of Physical Infrastructure Projects:

- a) Perform pre-feasibility and feasibility studies, preliminary designs, preliminary environmental analyses, develop engineering and design plans, tender documents for the water and sanitation activities, baseline studies, and existing inventories.
- b) Design investment and operating criteria for feeder road investment facility.

2) Development of Nacala Export Processing Zone:

- a) Perform pre-feasibility studies; market demand assessment; identification of necessary regulatory issues; identification of infrastructure requirements; preliminary financial, economic, and environmental analyses; and, depending on these analyses, design a commercial structure for a public-private partnership to implement the zone.

3) Business Development Services:

- a) Perform a needs assessment of the four Northern Provinces and a survey of the technical assistance resources and services (e.g., input suppliers, marketing channels, etc) available therein as they relate to the proposed sectors that will benefit from the business service centers (agriculture, forestry, eco-tourism and light industry).

- b) Design the nature of the service offerings to be provided, including addressing operational sustainability issues for beneficiaries.
- 4) Advance the Design of Land Tenure and Registration Activities:
- a) Assess capacity of the provincial and district offices of the land service agency and private sector agents (e.g. lawyers, public notaries, community organizations) to support a modernized registration system.
 - b) Identify an appropriate level/type of technology and the required capacity building activities in the public and private sector to achieve sustainable results;
 - c) Define activities related to policy or regulatory reform, legal and policy education, and legal assistance services.
 - d) Identify an approach for “on-demand” demarcation of community or family land and define corresponding activities.
 - e) Determine measures to improve implementation of laws, policies and activities that empower women to benefit from land rights.
 - f) Work with Mozambicans to prepare a matrix showing other donors’ support for land issues and how the proposed MCC investment will be complementary, and propose measures to optimize inter-donor collaboration with the proposed MCC activities.
- 5) Technical Assistance for Conducting Forestry Inventory and Developing Joint Management Plans:
- a) Technical assistance in developing joint management plans to ensure sustainable harvesting practices, and a forestry certification program.
 - b) Performing a desk study of existing maps/satellite imagery in order to complete the inventory of three provinces (Cabo Delgado, Nampula, Niassa).
 - c) Collection of satellite imagery and aerial photos to perform forest modeling.
 - d) Conduct community consultation to perform inventory and ground truthing.
- 6) Technical Support Services: In order to address the acute shortage of human and technical resources within GOM, it is anticipated that MCC will contribute to the funding of selected management consulting services to provide program development and advisory services to the MCA-Mozambique core team. The selected management consulting services will include experts in such areas as infrastructure, private sector development, procurement/financial management advisory services, economic analysis, impact design and evaluation, public outreach, and legal advisory services.