



**MILLENNIUM
CHALLENGE
CORPORATION**

REDUCING POVERTY THROUGH GROWTH

FRANCES C. MCNAUGHT
VICE PRESIDENT, CONGRESSIONAL AND PUBLIC AFFAIRS

We wish to provide a courtesy notification that on September 21, 2006, the Chief Executive Officer approved that a portion of Ghana's Compact Implementation Funding (CIF) be taken from the program administration budget for the Millennium Development Authority (MiDA) and used for data gathering activities.

On June 22, 2006, the Investment Committee approved CIF, pursuant to the authority of Section 609(g) of the Millennium Challenge Act of 2003, for use in a number of activities which did not include data gathering. Data gathering was expected to be funded out of Compact funds after the Ghana Compact enters into force (EIF), originally anticipated in October 2006. Due to certain delays in meeting the criteria for entry into force of the Compact and the initial disbursement under the Compact, MiDA will not be in a position to fund the data gathering out of Compact funds within the next month. All other CIF activities are proceeding as envisaged, with the exception of various start-up activities of MiDA. The reallocation from the MiDA budget does not change the amount of CIF or Compact funding.

Participating in a larger survey project will facilitate a cost-effective, rigorous evaluation of the MCC program in Ghana. A commitment to use the CIF funds will allow MiDA to ensure that baseline data is collected prior to the commencement of Compact activities, and eventually to capture the impact of the MCA-Ghana Program by comparing household data in MCA districts versus the broader set of districts surveyed. The total level of effort for this activity in Year 1 of the program is approximately \$2 million. MCC would like to use \$180,000 from CIF, previously allocated to start-up cost of MiDA, for data-collection activities.

The courtesy notification is being sent to Congress on October 5, 2006.

Sincerely,

Frances C. McNaught
Vice President
Congressional and Public Affairs