



**MILLENNIUM
CHALLENGE
CORPORATION**

REDUCING POVERTY THROUGH GROWTH

FRANCES C. MCNAUGHT
VICE PRESIDENT, CONGRESSIONAL AND PUBLIC AFFAIRS

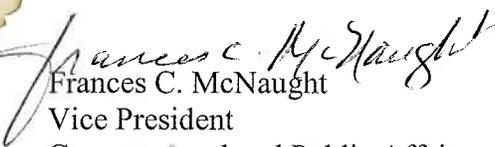
Congressional Notification Transmittal Sheet

We wish to inform the Congress of the intent to provide funding of up to US\$460,811,164 under a Millennium Challenge Compact with the Republic of Mali.

The attached notification is being sent to Congress on October 26, 2006. Allocation and obligation of funds may be incurred on or after fifteen days from the date of this notification. MCC intends to obligate pursuant to the authority of Section 605 of the Millennium Challenge Act of 2003 (the "Act") up to Four Hundred Fifty-One Million Six Hundred Eleven Thousand and One Hundred Sixty-Four U.S. Dollars (US\$451,611,164) at the time the Compact enters into force. These funds will be disbursed in tranches over the course of the Compact's term upon satisfaction or waiver of relevant conditions precedent.

In order of to accelerate implementation of the Compact, MCC will obligate Nine Million Two Hundred Thousand U.S. Dollars (US\$9,200,000) of the total amount ("Compact Implementation Funding") at the time of the signing of the Compact, pursuant to the authority of the Section 609(g) of the Act.

Sincerely,



Frances C. McNaught

Vice President

Congressional and Public Affairs

Enclosure:

As stated



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October 26, 2006

CONGRESSIONAL NOTIFICATION

Pursuant to the requirements of Section 515 of Pub. L. 108-447, we wish to notify Congress of the Millennium Challenge Corporation's ("MCC") intent to enter into a Millennium Challenge Compact ("Compact") with the Government of the Republic of Mali ("GoM"), through which MCC will grant up to Four Hundred Sixty Million Eight Thousand Eleven and One Hundred Sixty-Four U.S. Dollars (US\$460,811,164) of FY 2006 Millennium Challenge Account ("MCA") funds. Of this amount, MCC intends to obligate pursuant to the authority of Section 605 of the Millennium Challenge Act of 2003 (the "Act") up to Four Hundred Fifty-One Million Six Hundred Eleven Thousand and One Hundred Sixty-Four U.S. Dollars (US\$451,611,164) at the time the Compact enters into force. These funds will be disbursed in tranches over the course of the Compact's term upon satisfaction or waiver of relevant conditions precedent. In order to accelerate implementation of the Compact, MCC will obligate Nine Million Two Hundred Thousand U.S. Dollars (US\$9,200,000) of the total amount ("Compact Implementation Funding") at the time of signing of the Compact, pursuant to the authority of Section 609(g) of the Act.

The Compact Implementation Funding is included in the total amount of MCA funds under the Compact and will not represent an incremental increase in the overall MCA funding commitment to the GoM. Specifically, these funds will support, among others:

- 1) fiscal and procurement administration activities;
- 2) administrative activities including start-up costs such as staff salaries and administrative support expenses of MCA Mali (or a mutually acceptable government affiliate), such as rent, computers, and other information technology or capital equipment;
- 3) baseline surveys for monitoring and evaluation; and
- 4) additional work for feasibility studies.

Compact Implementation Funding shall be subject to (A) the limitations on the use or treatment of MCC funding set forth in Section 2.3 of the Compact attached hereto, as if such provision were in full force and effect, and (B) any other requirements for, and limitations on the use of, such Compact Implementation Funding as may be required by MCC in writing.

Pursuant to Section 610(a) of the Millennium Challenge Act of 2003, (Section 610(a) Pub. L. 108-199, Division D) (the "Act"), the appropriate Congressional committees were notified of MCC's intent to commence negotiations with the GoM on July 27, 2006. These negotiations have resulted in a mutually agreeable program described herein, which will be formalized in a Compact on substantially the terms and substantially the form of the text of the Compact that is being forwarded with this notification. A summary of key elements of the Compact is set forth in the accompanying "Executive Summary." MCC will provide the final agreed text of the Compact, along with a detailed summary of the text.



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**Millennium Challenge Compact between
the United States of America,
Acting through the Millennium Challenge Corporation, and
the Government of the Republic of Mali**

Executive Summary

This Compact aims to reduce poverty through economic growth in Mali by increasing production and productivity of agriculture and small- and medium-sized enterprises, as well as expanding Mali's access to markets and trade. These investments will support the development of key infrastructure and policy reform for productive sectors, by addressing the country's constraints to growth and capitalizing on two of Mali's major assets, the Bamako-Sénou International Airport (the "Airport"), gateway for regional and international trade, and the Niger River Delta for irrigated agriculture (the "Program").

Airport safety and quality improvements are expected to improve the efficiency and handling capacity, thereby contributing to economic growth by enabling a significant increase in Malian exports, reducing the time and costs of transporting goods and passengers, stimulating new tourism development, and creating new jobs and businesses that service increased cargo and passenger traffic. In addition, the investments in the Airport will establish a secure point of entry and departure for goods and passengers.

The investments in the industrial park located within the Airport domain (the "Industrial Park") will provide properly managed and serviced land for businesses and will leverage reforms that will decrease the cost of doing business in Mali. The investments in the Alatona production zone of the Office du Niger ("ON") will be a catalyst for the transformation and commercialization of family farms. It will support Mali's national development strategy to increase the contribution of the rural sector through economic growth and help achieve national food security. These investments will be strengthened by policy reforms and institutional support, such as formal land titles for the rural poor, demand-driven rural advisory services, an improved business environment, and increased access to markets and trade.

These institutional and infrastructure investments will impact the poor in Mali, particularly Malian farmers and small- and medium-size entrepreneurs, not only in Project zones but, over time, on a national and regional scale. The Program reinforces the Government of Mali's approach and commitment to democracy, decentralization, and empowerment of local communities. MCC financed interventions will complement and reinforce national strategies for poverty reduction and economic growth.