



Millennium Challenge Corporation

Reducing Poverty Through Growth

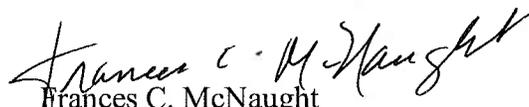
CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

We wish to inform of the intent to allocate approximately \$200,000 in FY 2004 MCC program funds to the U.S. Army Corps of Engineers ("Corps"). The obligation will be incurred by the Corps for the evaluation of elements of the Honduras country compact proposal.

In particular, these funds will be used by the Corps to assess three road transportation projects in Honduras that would become the core elements in the MCC's compact with that country. The Corps has the expertise to assess the feasibility and cost of the proposed infrastructure projects and to make recommendations to MCC as part of the MCC's overall due diligence evaluation of this proposal.

The attached notification is being sent to the Congress on November 10, 2004

Sincerely,


Frances C. McNaught
Vice President
Domestic Relations

Enclosure:

As stated

**MILLENIUM CHALLENGE CORPORATION
CONGRESSIONAL NOTIFICATION**

PROGRAM: Eligible Countries

APPROPRIATIONS CATEGORY: FY 2004 Program Funds

INTENDED FY 2005 OBLIGATION: \$200,000

In accordance with section 619(b)(2) of the Millennium Challenge Act of 2003 (the "Act") and 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 allocate to the United States Army Corps of Engineers ("Corps") Two Hundred Thousand Dollars (\$200,000) in FY 2004 MCC program funds. The allocated funds will be obligated by the Corps for the activities described below.

MCC plans to enter into a Memorandum Of Agreement with the Corps pursuant to which MCC will allocate MCC funds to the Corps for technical evaluation services related to proposed infrastructure projects in Honduras. The Government of Honduras has submitted a proposal to MCC that requests grant funding for the construction of three road projects. These projects, if approved, would complete a logistical corridor within Honduras and facilitate the movement of agricultural goods to market and the improved delivery of services throughout much of the country. Engineering studies have been completed for two of the three proposed projects at the time the proposal was submitted. Consequently, the next step in the pre-Compact stage is for the MCC to perform its due diligence review of the adequacy of these studies and to make an independent assessment of the proposed costs and potential environmental impact. MCC intends to draw on the expertise of the Corps which in recent years has been active in Honduras. The Corps already has in place the necessary expertise for such a project and will be able to provide a detailed assessment on all of these elements in an economy of time. Specific tasking requests for the Corps will include:

- 1) Preliminary review of project documents by the Corps for the purpose of familiarization with the project and identification of requisite resources to carry out the evaluation;
- 2) Review of project documents by the project team, including meeting in Washington, DC, with the country team and transport sector technical staff of the World Bank and InterAmerican Development Bank which are participating in related infrastructure projects;
- 3) Travel to Honduras for a in-country evaluation of the proposed projects;
- 4) Submission of detailed reports to the MCC.