

Millennium Challenge Corporation

Semiannual Report to Congress

Submitted for the Period Ending September 30, 2010



MILLENNIUM
CHALLENGE CORPORATION

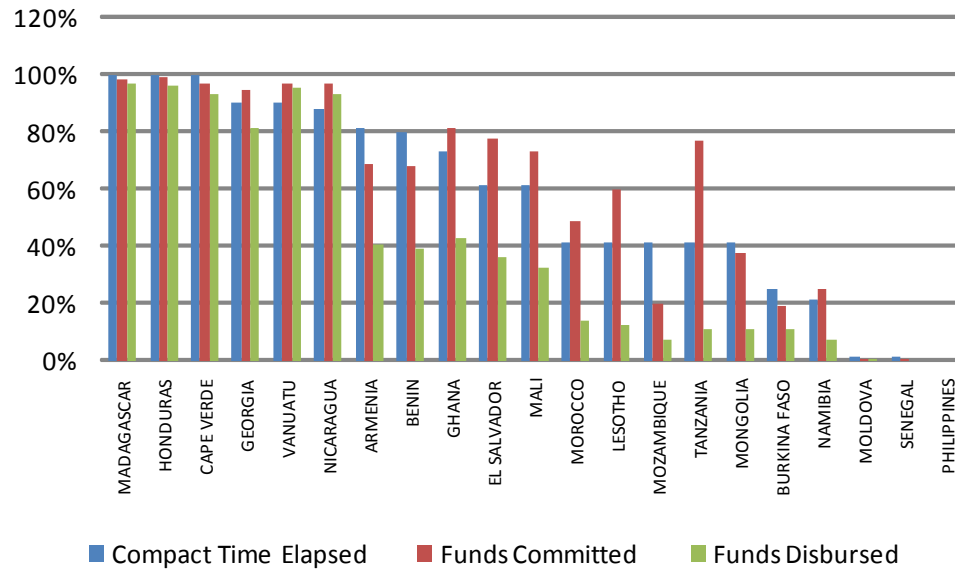
UNITED STATES OF AMERICA

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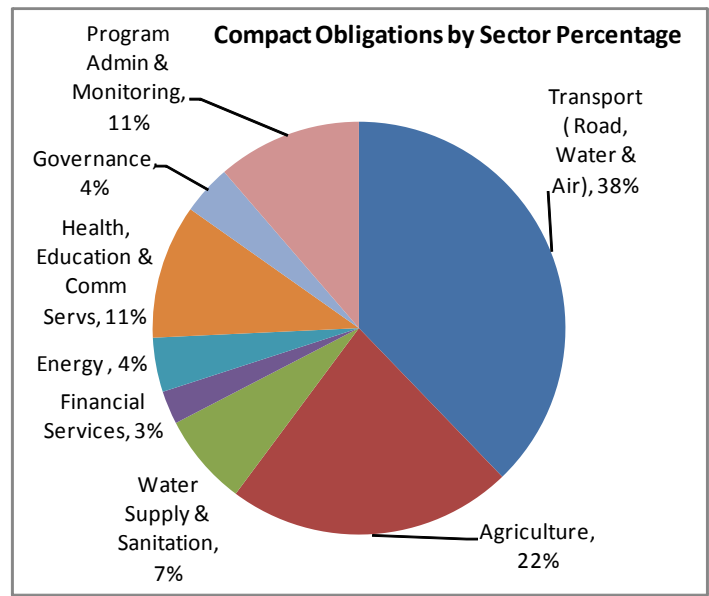
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The Millennium Challenge Corporation
MCC at a Glance
Data as of September 30, 2010

Compact Progress



The Millennium Challenge Corporation
 Summary by Sector
 Data as of September 30, 2010
 (\$ in millions)



SECTOR	Amount ¹
TRANSPORT (ROAD, WATER & AIR)	2,701.7
AGRICULTURE	1,602.1
WATER SUPPLY & SANITATION	514.7
BANKING & FINANCIAL SERVICES	188.0
ENERGY	302.9
HEALTH, EDUCATION & COMMUNITY SERVICES	754.0
GOVERNANCE	278.6
PROGRAM ADMINISTRATION & MONITORING	809.8
Total	7,151.8

¹Amounts represent obligations of funds, which occur when a compact enters into force.

The Millennium Challenge Corporation
 Summary by Fund Groups
 Data as of September 30, 2010
 (\$ in millions)

Fund Groups	Obligations in FY 2010	Cumulative Obligations through FY 2010	Disbursements in FY 2010	Projected Cumulative Disbursements through FY 2010	Actual Cumulative Disbursements through FY 2010
609(g) ¹	14.3	106.7	19.4	67.0	69.7
Administrative	93.1	465.0	91.8	440.6	436.4
Audit	3.4	16.3	3.5	16.3	15.3
Compacts ²	728.8	7,151.9	1,113.2	1,691.3	2,003.6
Due Diligence	33.5	191.4	28.6	116.0	126.5
Threshold Program ^{3,4}	26.4	510.6	68.3	402.4	372.8
Total	899.5	8,441.9	1,324.8	2,733.6	3,024.3

¹ The fund group "609(g)" includes funds under section 609(g) of the Millennium Challenge Act of 2003, as amended, other than Compact Implementation Funding.

² The fund group "Compacts" includes Compact Implementation Funding, Compacts, and other grants except those made using threshold program and 609(g) fund groups.

³ Data for the threshold program are provided by USAID, except for the Sao Tome and Principe threshold program, which is administered by U.S. Department of Treasury. USAID's data for this report are from its General Ledger by country rather than its Threshold Country Programs report. USAID is working to rectify discrepancies between these two data sources.

⁴ "Obligations in FY 2010" for the Threshold fund group have been adjusted to reflect an accounting misclassification related to the Burkina Faso Compact.

The Millennium Challenge Corporation
Compact Obligations, Disbursements and Projections
Data as of September 30, 2010
(\$ in millions)

COMPACT OBLIGATIONS / DISBURSEMENTS

Country	Fund Group	Obligations pre-FY 2010	Obligations in FY 2010	Cumulative Obligations through FY 2010	Projected Obligations in FY 2011	Disbursements pre-FY 2010	Disbursements in FY 2010	Cumulative Disbursements through FY 2010	Projected Disbursements ¹										
									FY 2011	FY 2012	FY 2013	FY 2014	FY 2015						
Armenia ² <i>Signed, 3/27/2006</i> <i>EIF³, 9/27/2006</i>	609 (g)	-		-		-		-											
	Compacts	235.7		235.7		41.3		54.0		95.3									
	Due Diligence	4.7	1.0	5.7		2.5		0.6		3.1									
Benin <i>Signed, 2/22/2006</i> <i>EIF, 10/6/2006</i>	609 (g)	-		-		-		-											
	Compacts	307.3		307.3		49.0		71.0		120.0									
	Due Diligence	5.9	0.5	6.4		3.0		1.1		4.1									
Burkina Faso <i>Signed, 7/14/2008</i> <i>EIF, 7/31/2009</i>	609 (g)	9.4		9.4		3.6		1.2		4.8									
	Compacts	480.9		480.9		32.6		21.3		53.9									
	Due Diligence	8.4	2.3	10.7		5.8		1.8		7.6									
Cape Verde <i>Signed, 7/4/2005</i> <i>EIF, 10/17/2005</i>	609 (g)	0.2	(0.0)	0.2		0.2		0.2		0.2									
	Compacts	110.1		110.1		61.1		41.7		102.8									
	Due Diligence	4.6	(0.1)	4.5		2.4		0.5		2.9									
El Salvador <i>Signed 11/29/2006</i> <i>EIF 9/20/2007</i>	Compacts	460.9		460.9		49.3		116.1		165.4									
	Due Diligence	6.8	0.9	7.7		4.7		1.2		5.8									
Georgia <i>Signed, 9/12/2005</i> <i>EIF, 4/7/2006</i>	609 (g)	4.2		4.2		4.1		0.0		4.2									
	Compacts	395.3		395.3		145.9		175.3		321.3									
	Due Diligence	9.7	1.1	10.8		6.8		1.4		8.2									
Ghana <i>Signed, 8/1/2006</i> <i>EIF, 2/16/2007</i>	609 (g)	3.3		3.3		3.3		0.0		3.3									
	Compacts	547.0		547.0		89.9		144.8		234.7									
	Due Diligence	7.4	1.7	9.1		5.6		1.3		6.8									
Honduras <i>Signed, 6/13/2005</i> <i>EIF, 9/29/2005</i>	Compacts	215.0	(10.0)	205.0		109.1		88.3		197.5									
	Due Diligence	4.0	1.2	5.3		2.4		0.5		2.9									
Indonesia <i>Signed, TBD⁴</i> <i>EIF, TBD</i>	609 (g)	-		-		-		-		-									
	Compacts	-		-		-		-		-									
	Due Diligence		0.1	0.1				0.0		0.0									
Jordan <i>Signed, 10/25/2010</i> <i>EIF, TBD</i>	609 (g)	13.3	(1.2)	12.1				2.9		2.9									
	Compacts			-	275.0					-									
	Due Diligence	0.6	3.6	4.2		0.2		2.3		2.5									
Lesotho <i>Signed, 7/23/2007</i> <i>EIF, 9/17/2008</i>	609 (g)	1.4		1.4		1.0		1.0		1.0									
	Compacts	362.5	0.0	362.6		17.2		27.2		44.3									
	Due Diligence	9.2	2.7	11.9		4.8		1.5		6.4									
Madagascar <i>Signed, 4/18/2005</i> <i>EIF, 7/27/2005</i>	609 (g)	-		-		-		-		-									
	Compacts	109.8	(21.8)	88.0		81.5		4.0		85.6									
	Due Diligence	3.7	(0.8)	2.9		2.4		0.3		2.6									
Malawi <i>Signed, TBD</i> <i>EIF, TBD</i>	609 (g)	1.3	9.5	10.9		0.2		6.8		7.0									
	Compacts			-	9.1					-									
	Due Diligence	0.9	1.4	2.3		0.1		1.3		1.4									
Mali <i>Signed, 11/13/2006</i> <i>EIF, 9/17/2007</i>	609 (g)	9.7		9.7		9.7		9.7		9.7									
	Compacts	460.8		460.8		46.4		102.2		148.6									
	Due Diligence	9.1	2.5	11.6		3.8		1.9		5.7									

The Millennium Challenge Corporation
Compact Obligations, Disbursements and Projections (cont.)
Data as of September 30, 2010
(\$ in millions)

Country	Fund Group	Obligations pre-FY 2010	Obligations in FY 2010	Cumulative Obligations through FY 2010	Projected Obligations in FY2011	Disbursements ¹ pre-FY 2010	Disbursements in FY 2010	Cumulative Disbursements through FY 2010	Projected Disbursements					
									FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	
Moldova <i>Signed, 1/22/2010</i> <i>EIF, 9/01/2010</i>	609 (g)	5.0	7.2	12.2		2.9	2.5	5.4						
	Compacts		262.0	262.0		-	0.2	0.2	7.9	56.7	88.6	72.3	36.4	
	Due Diligence	0.9	0.7	1.6		0.2	0.2	0.4						
Mongolia <i>Signed, 10/22/2007</i> <i>EIF, 9/17/2008</i>	Compacts	284.9		284.9		7.9	22.4	30.3	80.6	98.8	75.2			
	Due Diligence	6.4	1.5	7.9		4.1	0.8	4.9						
				-		-	-	-						
Morocco <i>Signed, 8/31/2007</i> <i>EIF, 9/15/2008</i>	Compacts	697.5		697.5		22.2	76.6	98.8	177.4	243.3	178.0			
	Due Diligence	9.6	1.9	11.5		5.1	1.9	7.0						
				-		-	-	-						
Mozambique <i>Signed, 7/13/2007</i> <i>EIF, 9/22/2008</i>	609 (g)	13.4	(4.0)	9.5		9.5		9.5						
	Compacts	506.9		506.9		11.6	23.5	35.1	84.5	194.1	193.2			
	Due Diligence	8.2	2.6	10.8		3.7	1.0	4.7						
Namibia <i>Signed, 7/28/2008</i> <i>EIF, 9/16/2009</i>	609 (g)	3.2		3.2		3.0	0.1	3.1						
	Compacts	304.5		304.5		2.0	21.0	23.0	48.0	91.9	95.4	46.1		
	Due Diligence	3.8	1.4	5.2		3.0	0.3	3.4						
Nicaragua <i>Signed, 7/14/2005</i> <i>EIF, 5/26/2006</i>	609 (g)	-		-		-		-						
	Compacts	175.0	(61.5)	113.5		75.7	30.1	105.9	7.6					
	Due Diligence	3.9	0.3	4.1		1.9	0.4	2.3						
Philippines <i>Signed, 9/23/2010</i> <i>EIF, TBD</i>	609 (g)		0.3	0.3			0.3	0.3						
	Compacts		25.1	25.1	409.0	-	0.1	0.1	11.1	57.5	89.7	93.3	105.7	
	Due Diligence	1.3	1.8	3.1		-	1.8	1.8						
Senegal <i>Signed, 9/16/2009</i> <i>EIF, 9/23/2010</i>	609 (g)	18.1		18.1		4.7	2.8	7.5						
	Compacts	5.0	535.0	540.0			1.0	1.0	14.5	196.8	233.7	77.6	16.4	
	Due Diligence	1.8	0.7	2.5		0.4	0.8	1.2						
Tanzania <i>Signed, 2/17/2008</i> <i>EIF, 9/15/2008</i>	609 (g)	9.8		9.8		8.1	1.6	9.7						
	Compacts	698.1		698.1		7.9	69.2	77.1	204.8	259.5	156.8			
	Due Diligence	11.6	1.3	12.9		6.8	1.4	8.2						
Vanuatu <i>Signed, 3/2/2006</i> <i>EIF, 4/28/2006</i>	Compacts	65.7		65.7		38.6	24.3	62.8	2.9					
	Due Diligence	3.8	(1.2)	2.7		1.8	0.1	1.9						
				-		-	-	-						
Zambia <i>Signed, TBD</i> <i>EIF, TBD</i>	609 (g)		2.4	2.4				-						
	Compacts			-				-						
	Due Diligence	0.2	1.1	1.3		0.0	0.2	0.2						
				-				-						
Cross-Cutting	Due Diligence/ 609(g)/Grants	31.2	3.9	35.1		26.5	5.3	31.8						
Total		6,672.8	777.2	7,450.0	693.1	1,037.6	1,162.3	2,199.9	1,536.4	1,988.0	1,469.0	466.6	199.2	

¹MCC anticipates FY 2011 disbursements to be within 10 percent of the projections. MCC assesses risks across the whole portfolio of compacts, and therefore, the sum of all compact countries' disbursements, as stated above, is expected to be lower than the sum of all work plan projections by compact countries. Projections for FY 2012 and beyond are based on general program plans and are subject to revision. Program implementation involves uncertainty associated with factors such as the procurement process, construction schedules, and the capacity of accountable entities and implementing entities.

² MCC has placed an operational hold on disbursement of \$58.6 million allocated in the Armenia compact for rural roads.

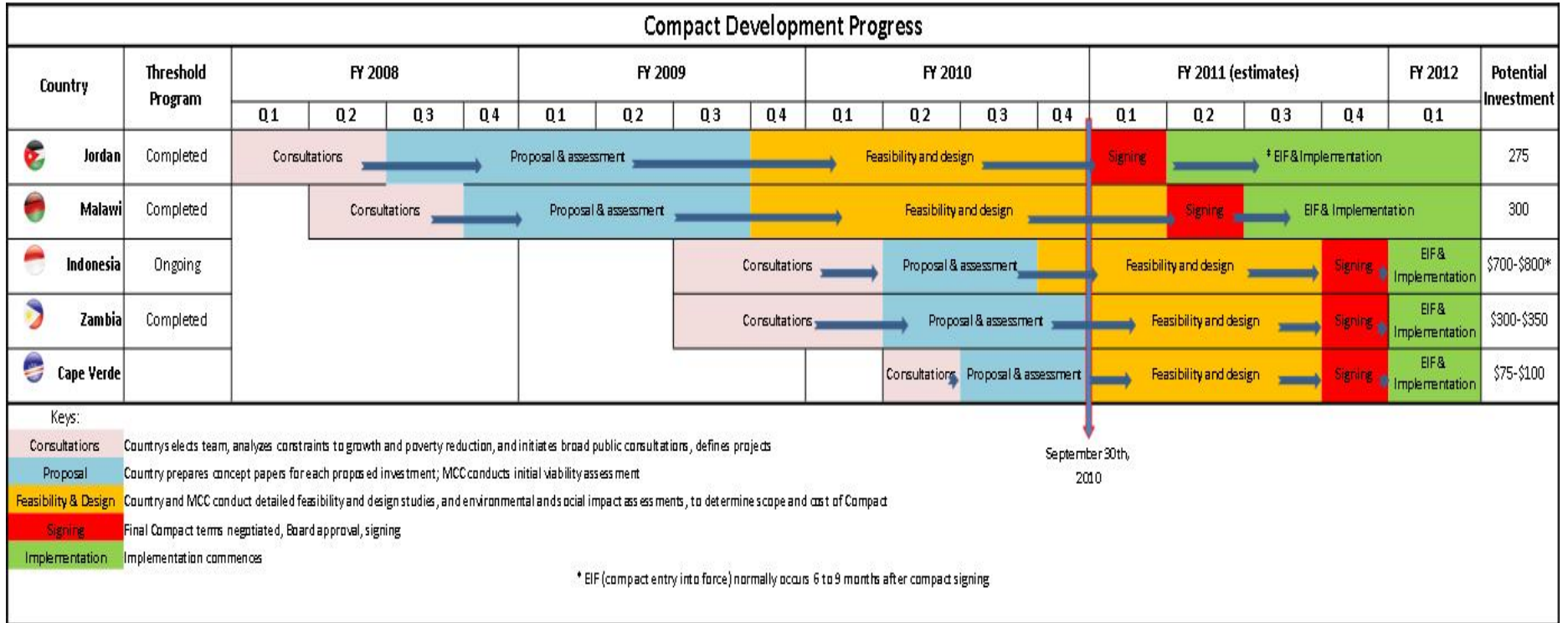
³ Entry into force.

⁴ To be determined.

The Millennium Challenge Corporation
 Administrative Expenses
 Data as of September 30, 2010
 (\$ in millions)

Obligations			
Administrative Categories	Actual Use		Projected Use of FY 2011 Request
	FY 2009	FY 2010	
Salaries and Benefits	45.8	47.9	54.6
Contracted Services	9.2	8.1	8.4
Rent, Leasehold and Improvements	7.5	9.6	7.6
Information Technology	11.8	8.6	8.3
Overseas Operations	11.2	13.4	18.2
Travel	3.1	5.5	5.3
Total¹	88.5	93.1	102.4

¹Columns may not total correctly due to rounding.



Overview

The Armenia Compact includes strategic investments designed to reduce rural poverty through a sustainable increase in the economic performance of Armenia's agricultural sector by refurbishing and improving major sections of the country's irrigation system. The program is also training 45,000 farmers in improved agriculture practices, delivering technical assistance to water supply institutions and providing US\$ 8.5 million in credit to farmers and small agribusinesses in support of the program objectives.

As result of the June 2009 meeting of MCC's Board of Directors, MCC did not resume funding for the Compact's Rural Road Rehabilitation Project (RRRP).

Compact Signed	Mar. 27, 2006
Entry into Force	Sept. 29, 2006
Compact Total	\$235.7 million
Contracts Committed	\$162.1 million
Total Disbursed to date	\$95.3 million
Number of beneficiaries	427,623



Compact Projects

Irrigated Agriculture Project

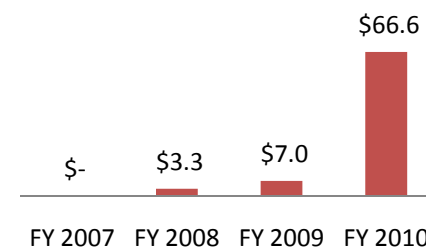
This project aims to increase agricultural productivity by extending and improving the quality of irrigation system through the rehabilitation and construction of infrastructure, including main canals, gravity schemes, pumping stations, and tertiary canals, and by strengthening the management capacities of local and national water supply entities. It also aims to improve the provision of technical and rural credit assistance to farmers.

Project Amount \$152.7 M

Progress to Date

43,787 of 45,000 farmers have been trained in on-farm water management • \$8.4 million of the \$8.5 million credit fund has been disbursed to farmers • 19 out of 28 km of main canals have been rehabilitated • 22 out of 220 km of tertiary canals have been rehabilitated • The Government of Armenia has amended the civil code to facilitate a simple procedure for the establishment of farmer groups (cooperatives) pursuing joint agricultural activities • The promotion of agricultural cooperatives is expected to foster overall development of Armenia's agricultural sector.

Project Disbursements to Date (\$ in millions)

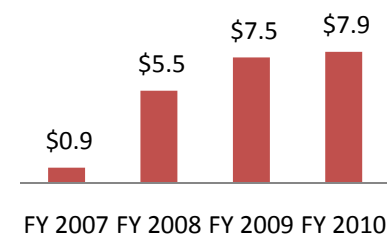


Rural Road Rehabilitation Project

This project aimed at providing better access to economic and social infrastructure through upgrades and the rehabilitation of rural roads, audits of ongoing roads maintenance, and strategic plans for future road maintenance, but funding has not resumes, as stated above.

Project Amount \$67.1 M

Prior to MCC's decision not to resume funding for this project, MCC rehabilitated 24.5 kilometers of road and completed feasibility and design studies for more than 570 kilometers, some of which were taken over by the World Bank for construction.



Program Administration	\$12.2 M
Monitoring and Evaluation	\$3.6 M
Compact Total	\$235.7 M



Overview

The Benin Compact will help reduce poverty by strengthening property rights and investment, expanding access to financial services, improving the ability of the justice system to enforce contracts and resolve claims, and enhancing access to markets through improvements to the Port of Cotonou.

Compact Signed	Feb. 22, 2006
Entry into Force	Oct. 6, 2006
Compact Total	\$307.3 million
Contracts Committed	\$208.5 million
Total Disbursed to date	\$120.0 million
Number of beneficiaries	8,791,832*

Compact Projects

Access to Markets Project

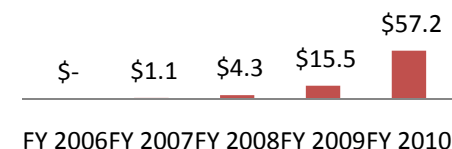
Through improvements at the Port of Cotonou, the project aims to improve performance and security, expand capacity, and reduce costs at the Port of Cotonou. Increased volume and reduced costs will benefit the entire Beninese economy.

Project Amount \$171.1 M

Progress to Date

Average customs clearance times have been reduced to two days • The first major investment, the sand barrier extension, is near completion and ahead of schedule • Introduction of scheduling procedures recommended by the MCC-financed Port Advisor has cut costs substantially for port customers • Private sector concession will assure effective management of the new wharf and provide over \$30 million in income.

Project Disbursements to Date (\$ in millions)

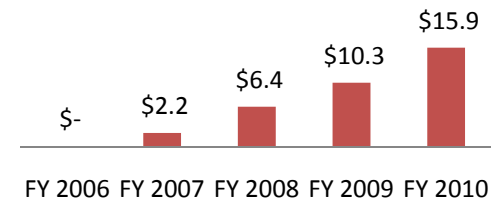


Access to Land Project

This project is designed to strengthen property rights and investments by securing land tenure for the poor and non-poor alike and creating effective, transparent governance of land and property issues. This project is expected to increase land security and to reduce the time and cost to obtain a title.

Project Amount \$35.6 M

Substantial field work is underway or completed in 265 villages, 35 village plans have been legally validated • Preparatory work to define urban zones suitable for systematic titling is complete in 19 of 20 communes • Permits will be converted to land titles in the coming months based on presentation of evidence by participating land-holders.

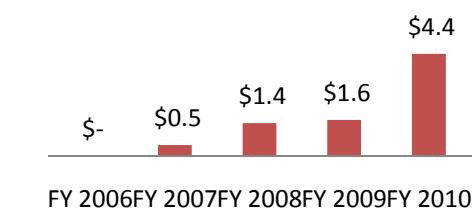


Access to Justice Project

Improving the ability of the judicial system to enforce contracts and resolve claims will strengthen the institutional environment for business and investment in Benin. This project aims to increase the number of cases resolved per year, increase the number of cases treated by a local arbitration center, and decrease the time required to register an enterprise.

Project Amount \$34.3 M

Courts of First Instance have processed 28% of cases presented this year • All 100 magistrates targeted have been trained • Business registration has been reduced from 39 to 7 days • 3,648 enterprises have been registered this year • Final passage by the National Assembly of a new Code of civil, commercial, social and administrative procedures • Construction underway on the Legal Information Center, one Court of Appeal and four Courts of First Instance.

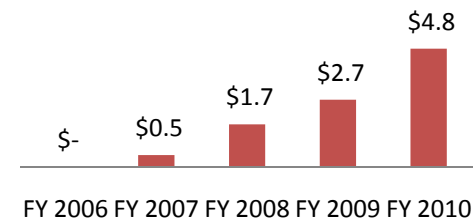


Access to Financial Services

A small grants program aims to improve the efficiency of micro, small and medium-sized enterprises by reducing costs and improving access to financial services. Reinforcement of regulatory capacity will also increase microfinance institutions' (MFIs') self-sufficiency, decrease MFIs' portfolios at risk, and increase loans guaranteed with land titles.

Project Amount \$19.7 M

Portfolios at risk among MFIs have fallen from 11 to 5 % • Average time for processing an application for MFI authorization has fallen from 40 to 25 days • 571 loans were guaranteed with land titles, exceeding the end of Compact target • Challenge Facility grantees are beginning to receive equipment and services, improving production and efficiency • Ministry of Finance Microfinance Supervision Unit is doing a census of all MFIs to identify unlicensed institutions, and Unit inspectors now undergo criminal checks and take an oath of office.



Program Administration

\$39.1 M

Monitoring and Evaluation

\$7.5 M

Compact Total

\$307.3 M

Overview

The Burkina Faso Compact aims to reduce poverty and stimulate economic growth through strategic investments in four projects. The projects will increase investment in land and rural productivity through improved land tenure security and land management; expand the productive use of land in order to increase the volume and value of agricultural production in project zones; enhance access to markets through investments in the road network; and increase primary school completion rates for girls.

Compact Signed	July 14, 2008
Entry into Force	July 31, 2009
Compact Total	\$478.9 million
Contracts Committed	\$89.9 million
Total Disbursed to date	\$53.9 million
Number of beneficiaries	1,181,296



Compact Projects

Roads Project

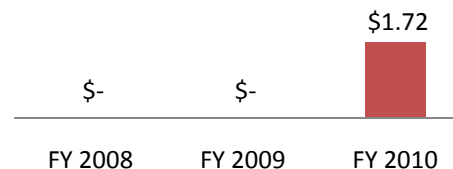
The objective of this project is to enhance access to markets through investments in the road network through: rehabilitation of three primary roads; improvements of rural roads; capacity building and technical assistance for road maintenance planning and implementation; and an incentive matching fund for periodic road maintenance.

Project Amount \$194.1 M

Progress to Date

Participatory validation workshops related to feasibility studies for the Dedougou-Nouna-Mali border road were completed • Contracts for approximately \$17,968,594 were signed for the final design, environmental studies and construction supervision for 536 km of roads.

Project Disbursements to Date (\$ in millions)

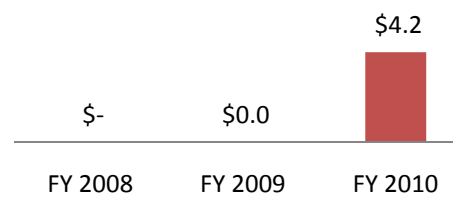


Agriculture Development Project

This project aims to expand productive use of land in order to increase the volume and value of agricultural production in Project zones through: water management and irrigation infrastructure rehabilitation and construction; diversified agriculture with extension, business development and marketing support; and access to rural finance.

Project Amount \$141.9 M

Selection process for the fiduciary bank and participating financial institutions for the Access to Rural Finance activity has been initiated • Two water basin core teams (noyaux techniques) created in the Sourou and Comoé River Basins • \$ 5,862,400 in contracts signed for studies and construction supervision for Lery dam and Di irrigation perimeter • \$1,272,957 disbursed under the diversified agriculture technical assistance contract.

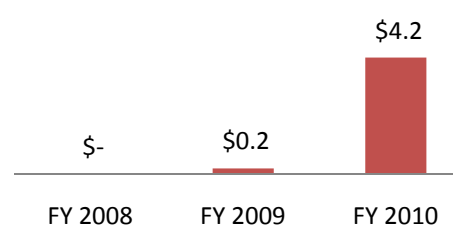


Rural Land Governance Project

This project aims to increase investment in land and rural productivity through improved land tenure security and land management through: legal and procedural change with associated communication and outreach; institutional development and capacity building for land services delivery; and site-specific land tenure interventions in select communes.

Project Amount \$59.9 M

1,692 stakeholders reached by public outreach efforts in relation to the agrarian and land reorganization law reforms • 94 geodesic control points installed at the commune level to improve land surveying quality, out of a planned 700 points during the life of the Compact • Baseline land tenure survey completed • Inter-Ministerial commission and key stakeholder reviewed the Agrarian and Land Reorganization law Implementing regulations adopted for the 2009 rural land law.

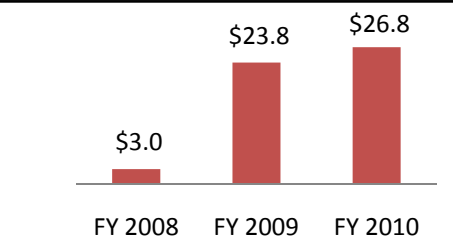


Bright II Schools Project

The objective of this project is to increase primary school completion rates for girls through: construction of school complexes; social mobilization and adult literacy training; and provision of take-home rations for girls with high attendance rates. This project is implemented by USAID.

Project Amount \$26.8 M

23,267 students are enrolled in BRIGHT schools • 636 children are enrolled in the BRIGHT bisongos (kindergardens) • 108 classrooms have been constructed • 13,114 take-home ration bags have been provided • Construction of the remaining BRIGHT II classrooms and bisongos is ongoing • Community mobilization campaigns are taking place to increase awareness of the importance of girls' education in BRIGHT communities.



Program Administration	\$48.3 M
Monitoring and Evaluation	\$7.9 M
Compact Total	\$478.9 M

Overview

The Cape Verde Compact seeks to improve investment climate, reform the financial sector, develop infrastructure to support increased economic activity and provide access to markets, employment and social services. Other goals include increasing agricultural productivity and rural incomes.

Compact Signed	Jul. 4, 2005
Entry into Force	Oct. 17, 2005
Compact Total	\$110.1 million
Contracts Committed	\$106.5 million
Total Disbursed to date	\$102.8 million
Number of beneficiaries	384,765



Compact Projects

Infrastructure Project

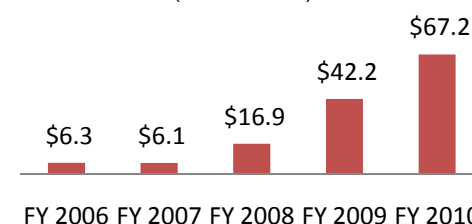
This project aims to integrate internal markets and reduce transportation costs by improving transportation networks through road and bridge infrastructure on the island of Santiago and Santo Antão and upgrading the Port of Praia.

Progress to Date

All 40.5 km of 3 rural roads have been upgraded from cobblestone to asphalt pavement • All four bridges have been completed • Ninety-five (95) percent of overall Port Phase I works are completed • As MCC required under the compact, the Government has established a Road Maintenance Fund that is financed by a levy on road users.

Project Amount \$82.6 M

Project Disbursements to Date (\$ in millions)

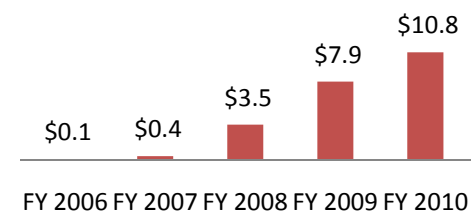


Watershed Management/Agriculture Support Project

This project aims to increase agricultural productivity on the islands of Santo Antão, Fogo, and São Nicolau by improving water management and soil conservation, strengthening agribusiness development services, and increasing access to credit. The combination of increased water availability, technology transfer and financing will likely promote increases in farm profits and incomes.

The Government of Cape Verde has issued a national decree lifting a more than 20-year embargo on inter-island agricultural exports from the island of Santo Antão contingent upon the construction and operation of the MCC-funded Post Harvest Inspection Center • 28 reservoirs have been completed, which is equivalent to 100 percent of end-of-compact target • 549 farmers have been trained in at least 3 production modules, equivalent to 68.6 percent of the end-of-compact target • 313 farmers have received drip irrigation training, equivalent to 48.9% of end-of-compact target • 225 loans totaling \$617 million have been made by the four participating micro-finance institutions.

Project Amount \$12.0 M

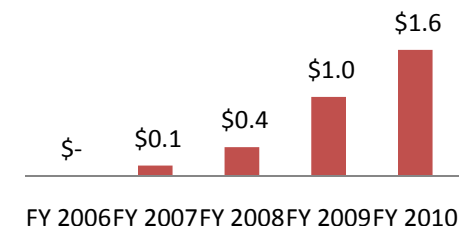


Private Sector Development Project

This project supports Cape Verde's credit and securities markets by supporting the expansion of deposit-taking powers to micro-finance institutions (MFIs) and expanding access to government securities.

Cape Verde has enacted new securities legislation enabling individuals to purchase treasury bills and bonds • 8 micro-finance institutions have received technical assistance in accounting, credit appraisal, delivery, collection, human resources management and marketing in the three agricultural intervention zones • Legal and technical reviews for the creation of a Credit Bureau have been completed • Local stakeholders are finalizing the selection of a private credit bureau service provider and completing the process to launch Cape Verde's first Private Credit Bureau.

Project Amount \$1.9 M



Program Administration	\$10.2 M
Monitoring and Evaluation	\$3.3 M
Compact Total	\$110.1 M¹

¹ Project Obligations do not add to "Compact Total" due to rounding.

Overview

The El Salvador Compact seeks to improve the lives of Salvadorans in the Northern Zone through strategic investments in education, public services, agricultural production, rural business development, and transportation infrastructure.

Compact Signed	Nov. 29, 2006
Entry into Force	Sept. 20, 2007
Compact Total	\$461.0 million
Contracts Committed	\$358.1 million
Total Disbursed to date	\$165.4 million
Number of beneficiaries	901,207



Compact Projects

Connectivity Project

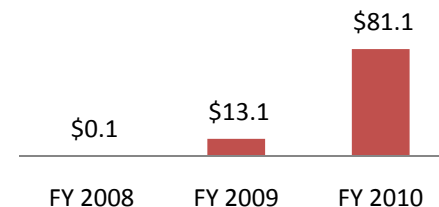
This project aims to reduce travel cost and time within the Northern Zone by designing, constructing, and rehabilitating a two lane paved road which will serve as a transport artery within the Northern Zone and will augment international connectivity through Honduras.

Project Amount \$246.1 M

Progress to Date

13 kilometers of the Northern Transnational Highway have been completed • 162 kilometers are under works and design-build contracts • 17 kilometer in design-build procurement process.

Project Disbursements to Date (\$ in millions)

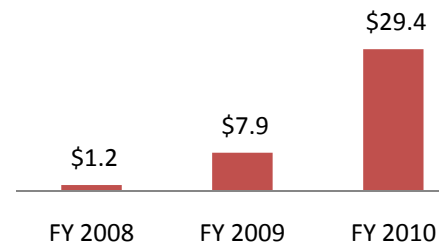


Human Development Project

This project aims to increase human and physical capital of residents of the Northern Zone to enable them to take advantage of employment and business opportunities by providing formal and non-formal technical vocational education, improved access to potable water systems and basic sanitation services, increased electricity coverage, and improved community infrastructure.

Project Amount \$101.8 M

3,420 households have been provided with electricity – 2,304 through connections to new electricity lines and 1,116 through connections to the existing network • All construction at 20 middle technical schools has been completed • 241 training courses delivered and 48 underway • 5,000 people trained, 63% women • 450 teachers and administrators trained (500 total target) • 1,071 middle technical scholarships granted • 504 superior technical scholarships granted • 11 construction contracts have been signed for potable water and basic sanitation systems.

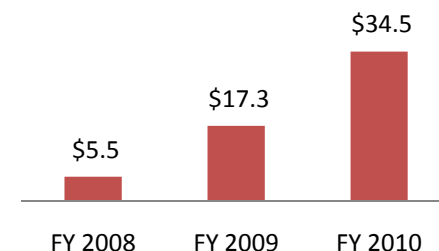


Productive Development Project

This project aims to increase production and employment in the Northern Zone through technical assistance to farmers and small businesses, capital investment to selected applicants for commercial activities as well as credit guarantees and technical assistance to financial institutions.

Project Amount \$71.8 M

Technical assistance has been provided to 9,500 producers in various value chains • 5,100 full time equivalent jobs have been created • 29 investments totaling approximately \$5 million have been made in support of new and expanding business ventures in the Northern Zone • The active partnership between MCC and USAID in El Salvador has taken another step forward with USAID's recent approval of a \$500,000 Global Development Alliance (GDA) grant to "El Salvador Produce," a 2,500 member farmer cooperative established through MCC investments in the Northern Zone.



Program Administration	\$35.0 M
Monitoring and Evaluation	\$6.3 M
Compact Total	\$461.0 M

Overview

The Georgia Compact will rehabilitate key regional infrastructure, stimulate regional trade by improving transportation, ensure a reliable energy supply, improve the delivery of regional and municipal services, and develop regional enterprises by providing investment capital and by increasing productivity in farms.

In November 2008, MCC and the Government of Georgia signed an amendment to the Compact which provided an additional \$100 million in Compact funding to expand existing activities under the Compact.

Compact Signed	Sept. 12, 2005
Entry into Force	Apr. 11, 2006
Compact Total	\$395.3 million
Contracts Committed	\$373.5 million
Total Disbursed to date	\$321.3 million
Number of beneficiaries	344,244



Compact Projects

Regional Infrastructure Rehabilitation Project

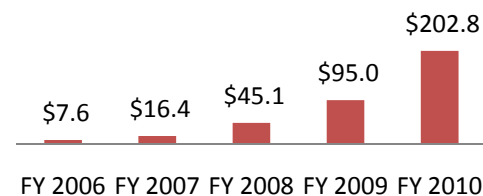
This project aims to rehabilitate and construct approximately 217.5 kilometers of main road traversing the Samtskhe-Javakheti region, with links to both Armenia and Turkey. It also aims to rehabilitate of the North-South Gas Pipeline as well as municipal water and wastewater infrastructure in regions outside Tbilisi.

Project Amount \$310.8 M

Progress to Date

Travel time on the road has been already reduced from 8 to 5.5 hours, with final target of 2.15 hours, representing significant savings to local farmers • The completion of planned natural gas pipeline repairs has resulted in the improved security of Georgia’s domestic natural gas supply • Phases I, II, and III of the Energy Project have been completed for rehabilitation of 22 main gas pipeline sites, equivalent to 100% of target • As part of the Regional Infrastructure Development Project (RID), four out of five water supply rehabilitation projects are currently under construction and the fifth has been completed.

Project Disbursements to Date
(\$ in millions)

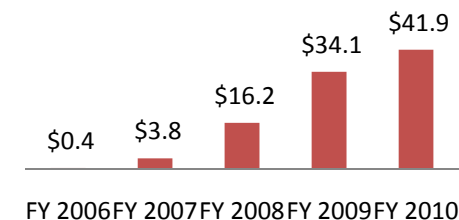


Enterprise Development Project

This project is to develop enterprises in the regions through an Investment Fund to provide long-term risk capital and technical assistance primarily in the regions outside of Tbilisi (Georgia Regional Development Fund) and grants and technical assistance to farmers and agribusinesses.

Project Amount \$52.5 M

Georgia Regional Development Fund (GRDF) investments have permitted a number of ‘firsts’ (e.g. the first Georgian-owned commercial fishing fleet in fifteen years, the first poultry production facility, and, in the near future, the first domestic fish cannery) • GRDF has invested over \$21.5 million in small to medium sized Georgian enterprises, mostly operating outside the capital city of Tbilisi • 1,929 jobs have been created, equivalent to 57% of compact target • There are 2,195 farm households (or 8122 individuals) benefitting directly those who are employed in and clients of agribusiness, input supply services, and enterprises (60% of target).



Program Administration	\$23.6 M
Monitoring and Evaluation	\$8.5 M
Compact Total	\$395.3 M

Overview

The Ghana Compact aims at reducing poverty by raising farmer incomes through private sector-led, agribusiness development. It consists of a three prong series of strategic investments to transform and modernize the agricultural sector in order to promote economic growth: 1) the agriculture project to strengthen production, 2) the transportation project to move goods to market, and 3) the rural development project to improve the lives of Ghanaians in farm communities.

Compact Signed	Aug. 1, 2006
Entry into Force	Feb. 16, 2007
Compact Total	\$547.0 million
Contracts Committed	\$445.1 million
Total Disbursed to date	\$234.7 million
Number of beneficiaries	1,271,133



Compact Projects

Agriculture Project

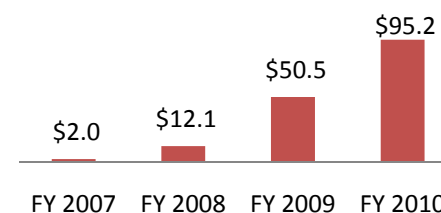
This project aims to enhance returns from staple food and horticulture crops produced mainly by poor, smallholder farmers and to improve delivery of business and technical services to support the expansion of commercial agriculture.

Project Amount \$214.5 M

Progress to Date

National Plant Protection legislation passed in June 2010 to make compliant with international initiatives. Feeder road designs provided to Government of Ghana (GoG) so GoG will engage donors to secure funding for remaining roads • Over 45,000 farmers trained in commercial agriculture and additional training in progress • Design studies completed for 58% of agriculture projects; works procurement occurring • 6 postharvest cooling facilities installed • Construction of 3 regional pack houses and airport perishable cargo center to begin • Rehabilitation and construction activities on the feeder roads are well under way.

Project Disbursements to Date (\$ in millions)

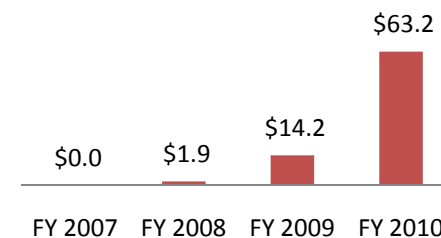


Transportation Project

Poor quality roads inhibit sustainable economic growth by thwarting expansion of agricultural opportunities and restricting access to domestic and international agricultural markets. This project aims to facilitate growth, promote access to social services, and support expansion of Ghana's export-directed horticulture base beyond current production.

Project Amount \$214.1 M

Mobilization and construction on the N1 Highway and trunk roads are well under way • Work has commenced on the rehabilitation of the ferry floating dock while the contractor awaits delivery of materials and components for the construction of the ferries • MiDA has begun discussions with other donors regarding potential financial support for expansion of trunk and feeder roads program • MCC coordinates with the donor transportation roundtable in Ghana on policy related matters.

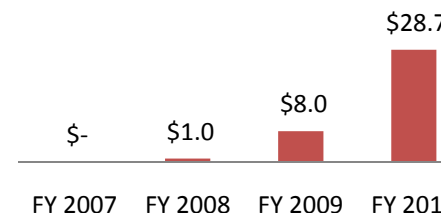


Rural Development Project

This project complements the Agriculture Project by providing community services of education, water and sanitation, and rural electrification in the targeted districts, and by enhancing the capacity of local governments and communities to deliver the related services, ensure maintenance and support sustainability.

Project Amount \$73.4 M

42 school blocks rehabilitated and 29 new school blocks constructed • More new school blocks are under construction • Contracts for water points and electrification have been signed, and construction is underway • WAN delivered to entire rural banking network • Central Data Center established at APEX Bank to serve automated network • ACH and check code clearing to begin functioning nationwide • Boreholes and STWS will improve access to potable water, combat disease in Guinea worm areas, and lessen distance and time to collect water (chores handled mainly by women and girls).



Program Administration	\$34.4 M
Monitoring and Evaluation	\$10.6 M
Compact Total	\$547.0 M

Overview

The Honduras Compact's main objectives are to increase productivity in the agricultural sector by increasing the productivity and business skills of farmers who operate small- and medium-size farms and their employees, and to reduce transportation costs between targeted production centers and national regional and global markets.

In September 2009, MCC's Board decided to terminate part of MCC's assistance, ceasing approximately \$10 million in funding associated with Vehicle Weight Control Activity and a portion (approximately 93 km) of the Farm to Market Roads Activity. The partial termination was in response to actions by the Government of Honduras inconsistent with MCC's eligibility criteria.

Compact Signed	Jun. 13, 2005
Entry into Force	Sept. 29, 2005
Compact Total	\$205.0 million
Contracts Committed	\$203.7 million
Total Disbursed to date	\$197.5 million
Number of beneficiaries	1,704,553



Compact Projects

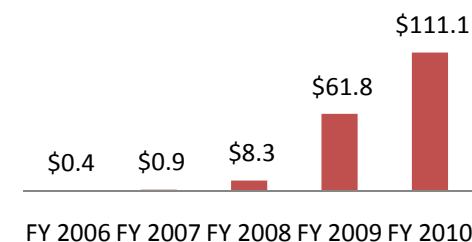
Transportation Project

The Transportation Project focused on improving the efficiency of the highway network through the improvement of two stretches of the CA-5 North Highway and paving and upgrading of key secondary roads to improve the access of rural communities to markets.

Progress to Date

All works funded by the Compact were completed by September 29, 2010 • All construction work related to the improvement and paving of two of the four sections of the CA-5 Highway and the three secondary roads has been completed • Road works (funded by CABEI) are underway in the southern section of the CA-5 Highway (Section 1 & 2).

Project Disbursements to Date (\$ in millions)

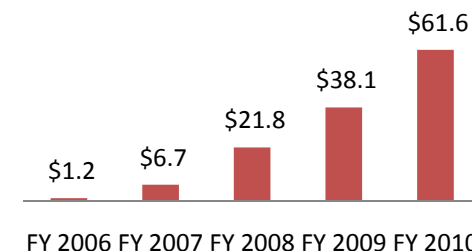


Project Amount \$120.6 M

Rural Development Project

This project is focused on improving the business skills, productivity, risk management practices of producers who own small and medium farms, and market access for them and their communities. This has resulted in higher incomes for the targeted farmers, their employees, and their communities, and has strengthened the capacity of those enterprises servicing horticultural production and trade.

7,265 program farmers received direct technical assistance and training in good agricultural practices including fertilization, water saving irrigation technology, prevention and control of pests and diseases, plantlet production and integrated crop management • The Access to Credit Trust Fund, capitalized at \$6 million, has resulted in more than \$9 million in loans to farmers and agribusinesses • The movable property registry has been installed and will be fully functional by January 2011 • 495 kilometers of farm to market rural roads rehabilitated.



Project Amount \$68.3 M

Program Administration \$11.2 M

Monitoring and Evaluation \$4.9 M

Compact Total



Overview

The Lesotho Compact is designed to provide strategic investments to increase the availability of water for households and industrial use, rehabilitate health infrastructure, and remove barriers to foreign and local private sector investment. The Compact also includes a strategic investment designed to test viable wetland and watershed management and conservation approaches.

Compact Signed	Jul. 23, 2007
Entry into Force	Sept. 17, 2008
Compact Total	\$362.6 million
Contracts Committed	\$216.4 million
Total Disbursed to date	\$44.3 million
Number of beneficiaries	1,041,422

Compact Projects

Water Sector Project

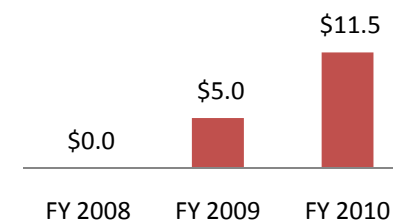
This project is aimed at improving the water supply for industrial and domestic needs by providing essential infrastructure to deliver water to current and future industrial projects, and by providing water system upgrades. The project is also designed to enhance rural livelihoods through improved watershed management.

Project Amount \$164.0 M

Progress to Date

Metolong Resettlement Action Plan drafted for areas to be impacted by Advance Works Phase 2, including the area to be affected by water treatment works • The Wetlands Restoration project team has developed a comprehensive website: <http://www.wetlands.org.ls/> • The Metolong Act has been passed Contract awarded for the water treatment plant and related infrastructure • Sixteen contracts awarded for construction of rural water supply systems.

Project Disbursements to Date (\$ in millions)

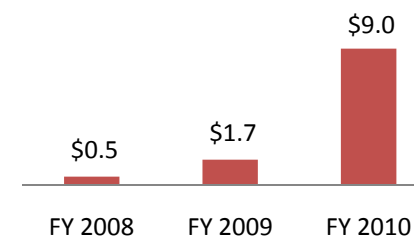


Health Sector Project

This project is designed to mitigate the negative economic impacts of poor maternal health, HIV/AIDS, tuberculosis and other diseases by substantially strengthening the Lesotho's health care infrastructure and human resources for health capacity.

Project Amount \$122.4 M

Construction was completed in June on the Domiciliary Health Clinic and handed over to Government of Lesotho • A computer teaching lab was established and opened at the National Health Training College for nurse and lab tech education • All 5 health construction contracts have been awarded for health center, out-patient department, lab, blood center and dormitory construction/renovation • New national medical waste management strategy has been approved • The 2010/2011 annual project milestone related to Government of Lesotho budgeting for health recurrent costs was met in August 2010.

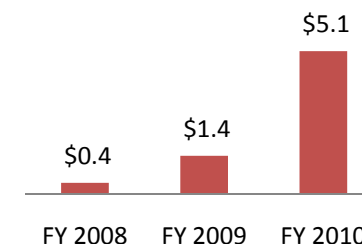


Private Sector Development Project

This project is designed to increase private sector economic activity in Lesotho by improving access to credit, reducing transaction costs and increasing the participation of women in the formal economy.

Project Amount \$36.5 M

Contracts have been awarded for the Automated Clearing House, Smart Card, and National ID Card activities • 3,471 people participated in gender equality public outreach events • The Land Act 2010 with land reform has been passed with regulations to implement the Act being drafted • The Land Administration Authority Act was passed to establish a modernized land administration system • Urban Land Regularization results: adjudication data gathering completed for 2,016 urban parcels; 125 land parcel surveys completed and submitted for approval and examination • Rural Land Inventory results: field investigations and inventory mapping completed for 3,425 rural parcels.



Program Administration	\$31.9 M
Monitoring and Evaluation	\$7.8 M
Compact Total	\$362.6 M



Overview

The main objectives of the 4-year \$110 million Compact consisted of reducing poverty in rural areas by increasing land security, expanding and increasing competition in the financial sector, and increasing investment in farms/rural businesses in five high-potential geographic zones. To achieve this objective three inter-related projects (Land Tenure, Finance and Agricultural Business Investment) were implemented.

Compact Signed	Apr. 18, 2005
Entry into Force	Jul. 27, 2005
Compact Total	\$110.0 million
Contracts Committed	\$86.7 million
Total Disbursed to date	\$85.6 million
Number of beneficiaries	480,347

Following the MCC Board decision in May 2009 to terminate the MCC Compact in Madagascar.

Compact Projects

Land Tenure Project

The Land Tenure Project was designed to increase land titling and land security, and improve the efficiency of land service administration.

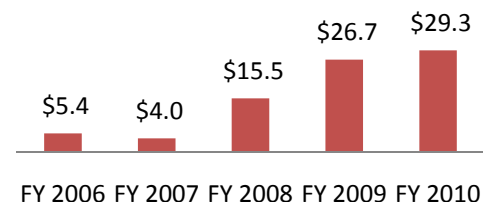
Project Amount \$30.1 M

Progress to Date

Four Land Tenure Reform and Framework laws developed and ratified • 540,835 land documents inventoried, 258,469 restored, 266,963 digitized • 8 regional land administration offices rehabilitated or constructed • New land services created and equipped in 237 municipalities • 24,147 land certificates delivered by municipal land services to 13,344 recipients, securing 20,828 hectares • Regional land administration offices delivered titles securing a further 9,219 hectares.

Project Disbursements to Date

(\$ in millions)

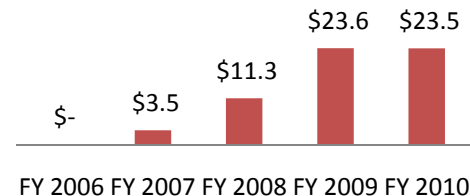


Financial Sector Reform

The Finance Project was designed to improve a weak banking system, make essential financial services available to rural areas, advance credit skills, and cut delays and risks in payments for goods and services.

Project Amount \$25.7 M

Bank/financial sector reform legislation drafted and submitted to parliament • Modern National Payment system created Reduction in interbank check clearing time from 60+ days to 3 days or less • Central Bank branch offices accepting auction tenders increased from 2 to 11 • 4 regional bank branches built and operational • Savings increase from \$ 1.5 M to \$ 9 M in micro-finance institutions (MFIs) supported by MCA Challenge Fund • 200 MFI managers and technicians trained.

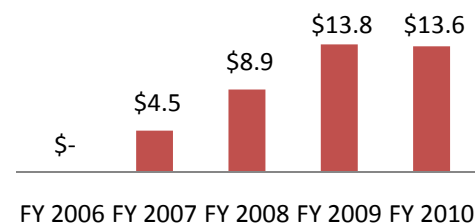


Agricultural Business Investment Project

This project was designed to identify investment opportunities for rural Malagasy populations in local, regional, or international markets, and train farmers and other entrepreneurs in production, management, and marketing techniques.

Project Amount \$13.7 M

Five regional investment strategies developed Agricultural Business Centers opened in 6 regions • 31,366 farmers and 324 agribusinesses trained in new techniques • 1,811 farm/rural enterprise business plans developed • 494 farmer cooperatives created and registered with the government • 837 commodity contracts negotiated • 40 Ministry of Agriculture technicians trained in commodity chain development and market analysis.



Program Administration \$17.3 M

Monitoring and Evaluation \$1.2 M

Compact Total \$88.0 M

Overview

The Mali Compact will help increase the productivity of agriculture and expand Mali's access to markets and trade through key infrastructure investments that capitalize on the Bamako-Sénou Airport and the Niger River for irrigated agriculture. The Government of Mali has demonstrated its commitment to the compact goals and confidence in results by planning to provide \$30 million over the next two years and to seek additional funding for two project components.

Compact Signed	Nov. 13, 2006
Entry into Force	Sept. 17, 2007
Compact Total	\$460.8 million
Contracts Committed	\$338.3 million
Total Disbursed to date	\$148.6 million
Number of beneficiaries	2,836,578



Compact Projects

Alatona Irrigation Project

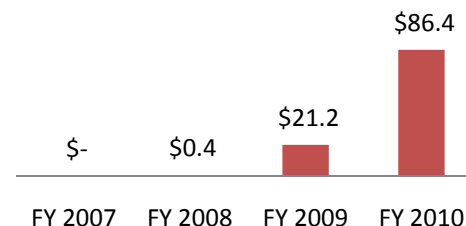
This project will develop 5,200 hectares of irrigated land in the Alatona zone resulting in increased agriculture productivity and production. Investments include construction of a road, irrigation infrastructure, and social infrastructure. The project will train and organize farmers in irrigated production and leverage policy reforms, especially secure land tenure for small farmers. The Alatona Irrigation Project was re-scoped from 14,000 to 5,200 hectares due to escalating global construction costs, currency fluctuations, and feasibility and operational efficiencies.

Project Amount \$234.9 M

Progress to Date

Forty-three of 800 project affected concessions have been compensated • Approximately 788 hectares of land were planted with rice seed • The rice will be harvested in December • 53% of construction contracts have been disbursed on the Niono Goma Coura road • 37% of construction contracts have been disbursed for irrigation works • 720 male and 479 females in the project area have received literacy training, and 150 male and 141 females were trained in rice and shallot planting.

Project Disbursements to Date (\$ in millions)

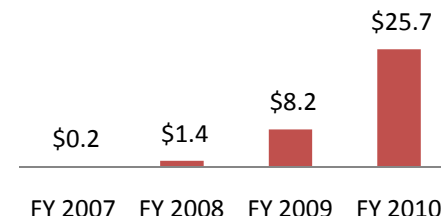


Bamako Senou Airport Improvement Project

This project will establish an independent and secure link to the regional and global economy by making improvements to the airport transportation infrastructure and offering technical assistance and supporting sector reform to strengthen the management of the national air transport system.

Project Amount \$181.3 M

Construction of the landside infrastructure started in September • The new maintenance building is complete and the Government of Mali has completed a modernized freight terminal • The Government of Mali has received proposals for the private airport concession.



Industrial Park Project

The Mali Compact was formally restructured in September 2008 to remove the Industrial Park Project due to escalating global construction costs, currency fluctuations, and feasibility and operational efficiencies. Funds formerly designated for the Industrial Park Project were dedicated towards the completion of the Airport Improvement Project, as requested by the Government of Mali.

Project Amount \$2.6 M

Program Administration	\$37.1 M
Monitoring and Evaluation	\$4.9 M
Compact Total	\$460.8 M

Overview

The Moldova Compact aims to reduce poverty and accelerate economic growth by focusing on enabling improved agricultural productivity and expanding access to markets and services through critical infrastructure investments in the irrigation and road sectors, and capacity building in the high value agriculture sector. The Transition to High Value Agriculture Project will increase agricultural incomes by stimulating the production and improved marketing of high value fruits and vegetables, targeting farming communities located along the two major rivers also benefit areas already able to access irrigation water and produce high value crops. The Road Rehabilitation Project includes repairs to a section of an arterial highway between the Moldovan capital, Chisinau, to the Ukrainian border and beyond to Kyiv, the Ukrainian capital, reducing the time and cost to transport goods and services and reduce losses to the national economy resulting from deteriorated road conditions.

Compact Signed	Jan. 22, 2010
Entry into Force	Sept. 1, 2010
Compact Total	\$262.0 million
Contracts Committed	\$13.3 million
Total Disbursed to date	\$150,215
Number of beneficiaries	427,242



Compact Projects

Transition to High Value Agriculture Project

The project aims to repair up to 11 irrigation systems servicing 15,500 hectares, providing water for high value agriculture (HVA) and higher yielding grains. Technical assistance and capacity building will support the establishment of water user associations (WUA) which will be able to conduct operations and management (O&M) of the rehabilitated systems; enable the legal transfer of O&M responsibilities to WUAs; improve water resource management; and ensure the legal and institutional framework needed for irrigation sector sustainability and further future investments.

Progress to Date

MCC and USAID have collaborated in an unprecedented way to design and implement the market access and technical assistance and capacity building component of the project • MCC's involvement in the design of the project has catalyzed the Government of Moldova to amend a water law and pass a new water users association law, which should encourage long term investment and thus sustainability in the irrigated agriculture sector.

Project Disbursements to Date

(\$ in millions)

Project Amount \$101.8 M

Road Rehabilitation Project

The project will rehabilitate 93 kilometers of the M2 and R9 roads between Sarateni to a major junction north of the city of Soroca. This highway is a link between Moldova and Ukraine for private and commercial travel, and a significant link for internal commerce and trade.

MCC's work with other international donors has helped promote the amendment of a law that provides dedicated sources of funding for road maintenance • The new Road Fund Law encourages long term investment in road maintenance and thus sustainability in the road transportation sector • MCC's involvement with international road safety organizations leveraged funds from multiple donors to provide the first road safety assessment performed on over 3,000 kilometers of Moldovan roads, including those for which feasibility studies were funded by MCC.

Project Amount \$132.8 M

Program Administration \$23.9 M

Monitoring and Evaluation \$3.5 M

Compact Total **\$262.0 M**

Overview

The Mongolia Compact directs strategic investments to increase economic activity through secure and registered property land titles in urban areas; the sustainable utilization and management of rangelands in selected peri-urban areas; improved vocational and technical training; ensuring that Mongolians become healthier and more productive as they enter the marketplace; increasing the adoption of energy efficient products and homes in the *ger* districts and supporting the development of renewable energy; and improving the road in the critical North-South economic corridor.

Compact Signed	Oct. 22, 2007
Entry into Force	Sept. 17, 2008
Compact Total	\$285.0 million
Contracts Committed	\$106.7 million
Total Disbursed to date	\$30.3 million
Number of beneficiaries	2,897,985



Compact Projects

Vocational Education Project

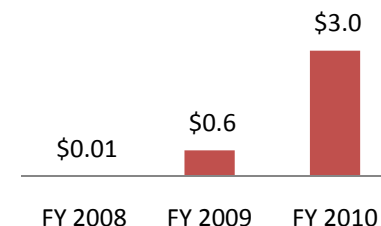
The project aims to improve access and quality in the technical and vocational education system (TVET) by supporting reforms to TVET policy and operational framework; professional development programs for TVET instructors; developing a competency-based skills training curriculum; establishing a labor market information and career guidance system; and providing essential equipment to select TVET institutions.

Project Amount \$47.4 M

Progress to Date

Fifteen schools and 3 sites for Centers of Excellence in mining, construction and health have been selected for rehabilitation and upgrades • The TVET reform law was passed and the policy and legal framework is now in place • The public perception survey was completed and an outreach plan developed • A firm has been contracted to develop new curricula and establish a media support center.

Project Disbursements to Date (\$ in millions)

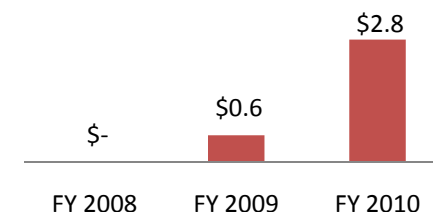


Property Rights

The project has two main components: urban and peri-urban. The urban component is improving the property registration system and helping poor households obtain title to urban land. The peri-urban component is leasing pastureland near cities to groups of herders and investing in infrastructure and training to improve livestock productivity and herder incomes.

Project Amount \$27.2 M

The awareness and outreach campaign has been actively implemented, with 894 stakeholders trained 12,756 stakeholders reached • The land areas proposed for pastureland leasing (988,000 hectares) were evaluated to ensure compliance with social and environmental requirements • Reports on needed legislative and regulatory changes have been completed.

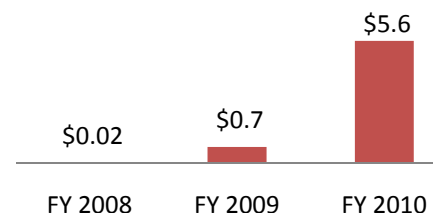


Health Project

The project seeks to strengthen the national program for prevention, early diagnosis and management of non-communicable diseases and injuries (NCDI) such as hypertension, diabetes, cervical and breast cancer and road traffic injuries. It addresses major causes and risks of NCDIs which cause premature adult death, disability and affect labor force productivity and the economic well being.

Project Amount \$39.0 M

Behavioral change communications and training contracts awarded • Grant to the World Health Organization for stroke and heart attack component under negotiation • National NCDI communication strategy revised and updated • Recommendations on road safety interventions available



Rail Project

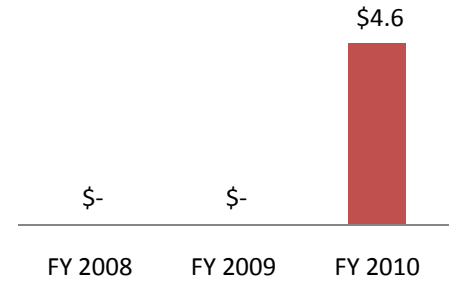
On April 27, 2009, the Government of Mongolia notified MCC that it intended to withdraw a rail project from the Compact. In January 2010, approximately \$188 million from such rail project was formally reallocated towards the expansion of the Health, Property Rights, and Education projects, and the addition of the new Road and Energy and Environment projects.

Project Amount \$0.4 M

North-South Road Project **new project*

The project is aimed at providing more efficient transport for trade and access to services by constructing 176.4km of all-weather road from Choir to Sainshand and a new 260m bridge with roadway approaches near the existing Bayanzurkh bridge along with the rehabilitation of the existing 252m Bayanzurkh bridge and 17.5km of existing road from Ulaanbaatar to Nalaikh.

Road construction has begun on Choir-Sainshand • Initial clearing operations, embankment and culvert construction was underway in September • Surveys and preliminary design work is being implemented for the Ulaanbaatar-Nalaikh bridge and road project.

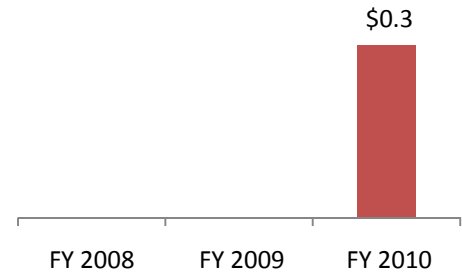


Project Amount \$79.8 M

Energy and Environment Project **new project*

The project is aimed at the sustainable reduction in air pollution in Ulaanbaatar through a comprehensive public awareness campaign; the creation of a facility to identify energy efficient technologies, evaluate benefits, and make available financial incentives so that such technologies can be more quickly adopted; and through ancillary network upgrades in support of the first on-grid commercial wind farm in Mongolia.

A product testing and subsidy setting process was undertaken over the summer for stoves, ger insulation, ger vestibules, and energy efficient homes • Two public awareness events were held in Sukhbaatar Square and the Chingeltei ger district to raise awareness of 'greening' as a potential solution to air pollution and 400 trees were planted • 3 'Product Centers' were established in the Chingeltei ger district to market and distribute approved products and homes • An MOU was signed with UNDP's Building Energy Efficiency Project and 7 subsidized energy efficient homes have been sold • Subsidies have been disbursed for 656 ger insulations and 70 ger vestibules.



Project Amount \$47.0 M

Program Administration \$36.0 M

Monitoring and Evaluation \$8.2 M

Compact Total \$285.0 M

Overview

The Morocco Compact seeks to reduce poverty and stimulate economic growth through investments in five projects. These strategic investments will increase productivity and improve employment in high potential sectors such as fruit tree productivity, small-scale fisheries, and artisan crafts. Small business creation and economic growth will also be supported by investments in financial services and enterprise support.

In Spring of 2010, the Government of Morocco requested a modification of the Artisan and Fez Medina project, and the Makina component of the project was subsequently removed. The Government of Morocco is currently developing a proposal to reallocate these funds to the Fruit Tree Productivity Project. In Fall of 2010, the Government of Morocco requested a modification of the Fruit Tree Productivity project, and the number of hectares covered under land under each activity was modified.

Compact Signed	Aug. 31, 2007
Entry into Force	Sept. 14, 2008
Compact Total	\$697.5 million
Contracts Committed	\$339.4 million
Total Disbursed to date	\$98.8 million
Number of beneficiaries	845,415



Compact Projects

Fruit Tree Productivity

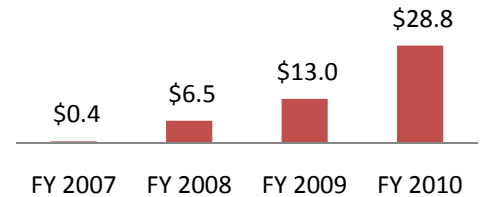
This project aims to stimulate the agricultural sector and reduce production volatility by rehabilitating existing olive trees and expanding production of olive, almond and fig trees; moving small farms from high water-use, lower-value cereal grains to low water-use, higher-value fruit trees in certain terraced areas; and supporting increased irrigation efficiency and productivity.

Project Amount \$300.9 M

Progress to Date

9,259 hectares of olive trees planted • 1,887 hectares on which water and conservation measures have been implemented • Agency for Partnership and Progress (APP) recently signed three major contracts, two for training services and technical support to farmers and their producer organizations, and one with Moroccan agricultural research institutes • APP is continuing planting and construction works for irrigated areas of the project.

Project Disbursements to Date (\$ in millions)

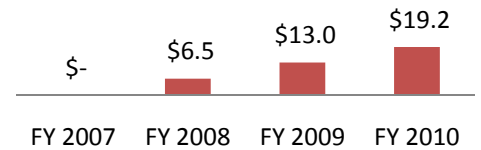


Financial Services Project

This project aims to increase financial services for microenterprises by: investing in Jaida's subordinated debt; analyzing regulatory & operational requirements for microcredit associations to change legal structure; supporting improvements to financial sector efficiency and transparency.

Project Amount \$46.2 M

APP has now disbursed over half of the \$25 million loan to Jaida • APP is working with the government on legal requirements for institutional transformation, so microcredit associations can mobilize shareholder equity and offer other financial services.

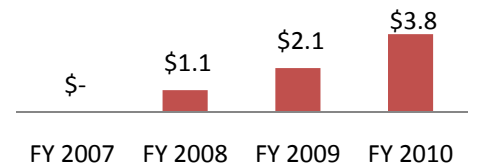


Small Scale Fisheries Project

This project is to transform the small-scale fisheries sector by constructing landing sites, building/upgrading fishery facilities; building wholesale markets; providing technical assistance; partially funding fresh-fish transportation equipment for mobile fish vendors; and establishing Marine Protected Areas and increasing efforts to ensure sustainable use of fish resources.

Project Amount \$116.2 M

Four additional project sites have advanced to the feasibility study level design stage, and 19 project sites with pre-feasibility studies have been launched • APP signed contracts for the construction of two landing sites, one port, and a wholesale market • New regulations adopted for wholesale market • APP signed a contract to launch a national strategy for marine protected areas • First training workshop for mobile fish vendors was held in Oujda.



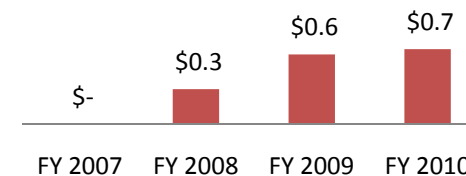
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Artisan and Fez Medina Project

The project will stimulate growth by leveraging links between the craft sector, tourism and the Fez Medina’s cultural, historic and architectural assets. It will strengthen the national system for literacy and vocational education to benefit artisans and the general population and will support the design/reconstruction of historic sites within the Medina.

APP signed key contracts to provide for the training of potters in the use of gas kilns and to study the promotion needs of artisans in Fez and Marrakech • APP approved a program for training in September • Over 7,000 artisans, small-scale fishers and farmers have begun Level 1 literacy training • The International Architectural competition for the design of Place Lalla Ydouna in the Fez Medina has been successfully launched • Over 1,400 architects registered to participate in the competition.

Project Amount \$111.9 M

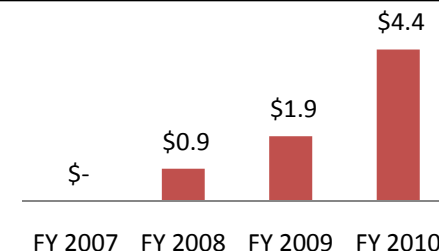


Enterprise Support Project

This project aims to reduce high unemployment among young university graduates and encourage a more entrepreneurial culture by measuring the impact of three pilot training initiatives being offered by the government; expanding training initiatives beginning in Year 4; and capacity building to help the government better manage the selection and training processes for entrepreneurs.

586 enterprise diagnostics completed • Training was completed for the project’s three implementing entities to enable them to complete enterprise diagnostics as well as oversee coaching of entrepreneurs.

Project Amount \$33.9 M



Program Administration	\$67.8 M
Monitoring and Evaluation	\$20.7 M
Compact Total	\$697.5 M

Overview

The Mozambique Compact seeks to increase productive capacity, income generation, and poverty reduction in Mozambique's northern provinces by improving rural and urban water and sanitation, roads, land administration, and agriculture. It also addresses key policy reforms and capacity building initiatives. The program focuses on the economically lagging northern provinces, home to half of the country's population.

Compact Signed	Jul. 13, 2007
Entry into Force	Sept. 22, 2008
Compact Total	\$506.9 million
Contracts Committed	\$99.3 million
Total Disbursed to date	\$35.1 million
Number of beneficiaries	4,565,136



Compact Projects

Water Supply and Sanitation Project

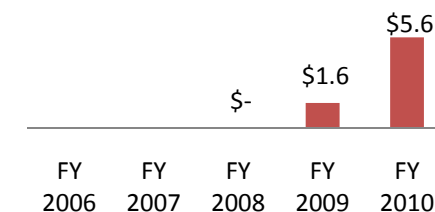
This project aims to increase access to reliable sources of potable water supply in urban and rural areas and improved sanitation in urban and peri-urban areas through technical assistance and capacity building to the water supply and sanitation project; rehabilitation / expansion of the water supply and sanitation systems in urban areas; rehabilitation / expansion of six municipal water, sanitation, and drainage systems, and construction of rural water points.

Project Amount \$203.6 M

Progress to Date

Feasibility and environmental studies completed for the Nacala Dam, detailed engineering designs underway • Tendering for construction of 150 water points in Cabo Delgado and Nampula provinces complete • Feasibility and environmental studies for municipal water supply and sanitation systems in 8 primary and secondary cities is underway • The government has established and appointed staff to a new entity – the Administracao de Infra-Estruturas de Agua e Saneamento – for managing water supply in secondary cities • The Government's principal entities responsible for management of the water sector are providing a unified bill for water and sanitation to all customers in those cities where MCC is providing investment in sanitation.

Project Disbursements to Date (\$in millions)

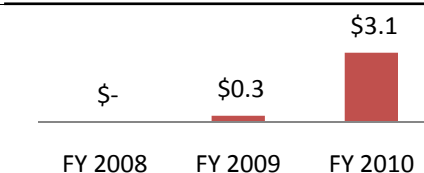


Rehabilitation/Construction of Roads Project

This project aims to increase access to productive resources and markets while reducing associated transport costs through the rehabilitation and/or widening of strategic portions of the N1 National Highway; and technical Assistance for Roads Project

Project Amount \$176.3 M

The Government of Mozambique has prepared and approved a paved road maintenance program that includes periodic preventative maintenance network • Feasibility, environmental, resettlement studies for 491 km of primary road network in Zambezia, Nampula and Cabo Delgado provinces completed.

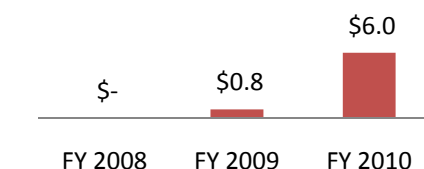


Land Tenure Project

This project aims to establish efficient and secure land access for households, communities, and investors by supporting National Policy Monitoring Activity, Land Administration Capacity Building, and Site Specific Facilitation of Land Access.

Project Amount \$39.1 M

Design and work plans for land policy and legal activities, municipal cadastral field works, and land information management system are completed • Land administration needs assessment completed • Community Land Fund contracts signed to begin interventions on formalizing rights to land in 11 Communities.

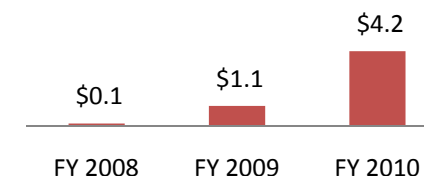


Farmer Income Support Project

This project aims to control the spread of Coconut Lethal Yellowing Disease (CLYD), to encourage diversification in other cash-crop production, and eliminate biological and technical barriers that hinder economic growth among farms.

Project Amount \$18.4 M

Over 150,000 coconut seedlings planted in provinces of Zambezia and Nampula • Environmental, health, and safety management plans developed and implementation underway.



Program Administration \$61.3 M

Monitoring and Evaluation \$8.2 M

Compact Total **\$506.9 M**

Overview

The Namibia Compact goal is to increase the competence of the Namibian workforce through knowledge and skills, as well as to increase the productivity of agricultural and nonagricultural enterprises in rural areas.

Compact Signed	Jul. 28, 2008
Entry into Force	Sept. 16, 2009
Compact Total	\$304.5 million
Contracts Committed	\$77.2 million
Total Disbursed to date	\$ 23.0 million
Number of beneficiaries	Over 1,000,000



Compact Projects

Education Project

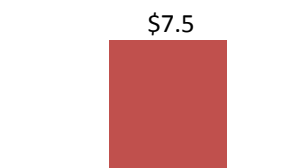
This project will improve the quality of and access to education and training for under-served groups, enhancing the quality of the country's labor force and increasing employment opportunities for youth.

Progress to Date

\$7.2 million in design and supervisory contracts and \$17.0 million in works for the rehabilitation and construction of the 47 Schools signed • 562,700 books have been distributed to 951 schools to date • The Minister of Education has endorsed recommendations for policy changes to improve the efficiency of textbook procurement and delivery based on MCC funded study.

Project Disbursements to Date

(\$ in millions)



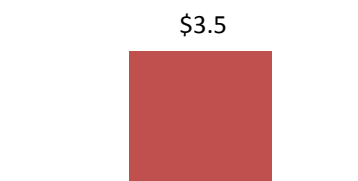
FY 2010

Project Amount \$145.0 M

Tourism Project

This project will improve the management and infrastructure of Etosha National Park and enhance the marketing of Namibian tourism, and develop the capacity of communal conservancies to attract investments in ecotourism and increase their revenue.

Ministry of Environment and Tourism has completed a number of important park management reforms that are linked to a MCC condition precedent, including a Housing Policy and Code of Conduct, a Performance Agreement between the Ministry and Namibia Wildlife Resorts, and an HIV/AIDS Workplace Program for all staff in protected areas • MCC collaborated with the World Bank to co-fund a successful black rhino translocation effort, when 15 black rhinos were translocated from state protected areas to community-managed wildlife conservancies, where the rhinos will be incorporated into revenue-generating tourism enterprises.



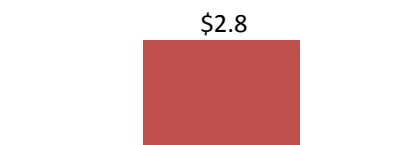
FY 2010

Project Amount \$67.0 M

Agriculture Project

This project focuses on improving rangeland management and animal husbandry practices, improving animal health services, providing livestock traceability system, strengthening livestock marketing, improving land tenure security, and helping rural organizations increase the production, value and distribution of natural products.

Rangeland and Livestock Management support contract and Communal Land Support contract signed in March 2010 • Livestock Market Efficiency and Indigenous Natural Products Innovation Funds launched • Design work for 5 state veterinarian offices will start in late 2010.



FY 2010

Project Amount \$47.5 M

Program Administration \$38.4 M

Monitoring and Evaluation \$6.6 M

Compact Total **\$304.5 M**

Overview

The Nicaragua Compact aims to increase income and reduce poverty in León-Chinandega via investments in Rural Business Development and through the rehabilitation of roads. The investments are regionally concentrated in the north-west part of the country – regions identified as having the greatest potential for economic growth.

Political conditions leading up to, during, and following municipal elections of November 2008 in Nicaragua were inconsistent with MCC's eligibility criteria. In June 2009, the MCC Board terminated a portion of MCC's compact. MCC has reduced the amount of funding available from \$175 million to \$113.5 million.

Compact Signed	Jul. 14, 2005
Entry into Force	May 26, 2006
Compact Total	\$113.5 million
Contracts Committed	\$109.7 million
Total Disbursed to date	\$105.9 million
Number of beneficiaries	107,832



Compact Projects

Transportation Project

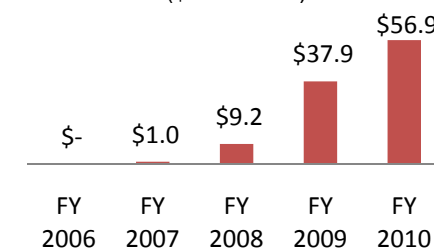
This project is aimed at integrating internal markets and reducing transportation costs through improving one primary road (Villanueva-Guasaule) and two secondary roads (Leon-Poneloya and Somotillo-Cinco Pinos), for a total of 74 kilometers.

Project Amount \$58.0 M

Progress to Date

The rehabilitation of 3 roads for a total of 74 kilometers completed • In 2005, the Government of Nicaragua established a permanent source of funds for road maintenance as part of MCC requirements • The GON is now maintaining more than 2,700 kilometers annually, with more than \$25 million allocated to road maintenance.

Project Disbursements to Date (\$ in millions)

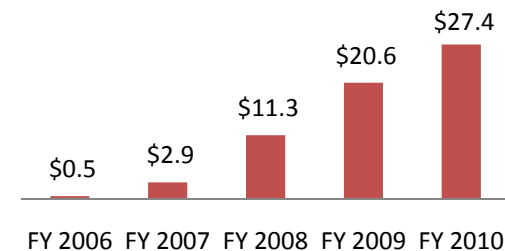


Rural Development Project

This project is aimed at increasing the value added and productivity of farms and rural business in the Departments of León and Chinandega via the provision of business development services, technical assistance and financial assistance to farmers and rural business owners.

Project Amount \$32.9 M

8,746 beneficiaries are implementing business plans • 13,122 hectares are harvesting higher-value crops • 2,034 hectares have been reforested.



Property Regularization Project

In June 2009, the MCC Board of Directors terminated funding for the Compact's Property Regularization Project. This termination is the result of conditions leading up to, during, and following municipal elections of November 2008 that were inconsistent with MCC's eligibility criteria.

Project Amount \$7.2 M

Prior to termination, 2,865 parcels were titled, of which 2,454 were urban parcels and 411 were rural • In Spring of 2010, the World Bank approved \$10 million of financing to leverage MCC assets and continue with property regularization in Leon.

Program Administration	\$13.8 M
Monitoring and Evaluation	\$1.6 M
Compact Total	\$113.5 M

Overview

The Senegal Compact aims to reduce poverty and increase economic growth by unlocking the country's agricultural productivity and expanding access to markets and services through critical infrastructure investments in major national roads and the irrigation sector.

Compact Signed	Sept. 16, 2009
Entry into Force	Sept. 23, 2010
Compact Total	\$540.0 million
Contracts Committed	\$744,251
Total Disbursed to date	\$953,815
Number of beneficiaries	1,662,129



Compact Projects

Road Rehabilitation Project

This project will improve the condition of up to 380 kilometers of road networks that are vital to creating reliable, cost-effective, and time-saving means of transporting locally-produced agricultural products to domestic and international markets year-round.

Progress to Date

MCA-Senegal has held initial discussions with the Government of Senegal regarding the Compact's road maintenance funding condition precedent • Donor coordination discussions are underway with USAID and others to leverage resources and maximize project impact.

Project Disbursements to Date
(\$ in millions)

Project Amount \$324.0 M

Irrigation and Water Resources Management Project

This project is aimed at improving the productivity of the agricultural sector by extending and improving the quality of the irrigation system in the Delta and the Podor regions of the Senegal River Valley.

The Government of Senegal is finalizing an award of a contract for an independent audit of irrigation infrastructure, a critical condition precedent in the Compact • Donor coordination discussions are underway with JICA, USAID, Counterpart International and others to leverage resources and maximize project impact.

Project Amount \$170.0 M

Program Administration \$3.8 M

Monitoring and Evaluation \$42.2 M

Compact Total **\$540.0 M**

Overview

The Tanzania Compact aims to stimulate economic growth, increase household incomes, and raise the quality of life in program areas through targeted infrastructure investments in transportation, energy and water.

Compact Signed	Feb. 17, 2008
Entry into Force	Sept. 17, 2008
Compact Total	\$698.1 million
Contracts Committed	\$537.0 million
Total Disbursed to date	\$77.1 million
Number of beneficiaries	5,425,013



Compact Projects

Transport Sector Project

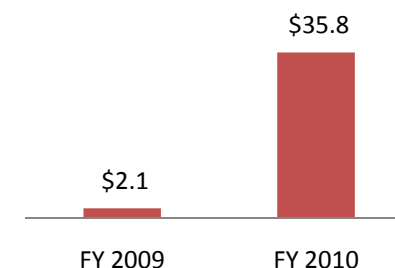
This project is to increase cash crop revenue and aggregate visitor spending by: paving and upgrading of more than 430 kms of trunk roads on the mainland; upgrading the airport on Mafia Island; paving and upgrading of 35 kms of rural roads on Pemba Island, Zanzibar; and providing support to enhance Tanzania's capacity to maintain its road network.

Project Amount \$368.8 M

Progress to Date

The government, in collaboration with MCC and the donor community, established a new National Road Safety Policy, approved by the Cabinet in 2009 • Road maintenance expenditures in the mainland (90%) and in Zanzibar (96%) surpassed their annual target, but will be verified with an upcoming audit • Construction began in March 2010 on the 65km Tanga-Horohoro road • In July-August 2010, construction began on the 95 km Laela-Sumbawanga road segment, the 65 km Songea-Nantumbo and the 78 km Peramiho-Mbinga road segment • In September, MCA-Tanzania signed the last of the Mainland Trunk Road contracts, for the Tunduma-Ikana (64 km), and Ikana-Laela (64 km) segments, and contractors are now mobilizing.

Project Disbursements to Date (\$ in millions)

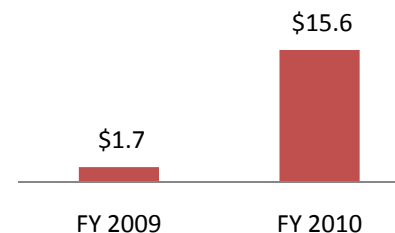


Energy Sector Project

This project is to increase investment value added of businesses by: manufacturing and installing a new 100 megawatt submarine electric transmission cable from the mainland to Zanzibar; and rehabilitating the distribution infrastructure and 1600 kms of distribution line extensions to areas in six regions that have never before been linked to the national power grid.

Project Amount \$206.0 M

In April 2010, MCA-Tanzania awarded the contract for construction of the 37km, 100 megawatt Zanzibar submarine power cable, which will provide reliable power supply to the island of Unguja • Contracts for the construction of the energy network extension activity were awarded in September 2010 • The contract for construction of associated substations on the mainland and island of Zanzibar was awarded in August 2010 • The majority of resettlement implementation activities completed for Zanzibar Interconnector Activity • Resettlement planning nearing completion for the transmission and distribution network extension.

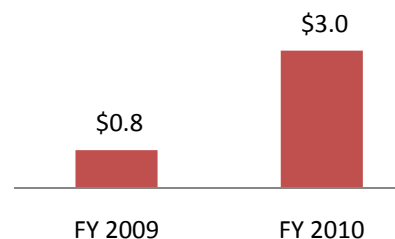


Water Sector Project

This project is to increase investment in human and physical capital and reduce the prevalence of water-related diseases through: expanding the capacity of the Lower Ruvu water treatment plant; rehabilitating water intake and water treatment plants; and improving the existing distribution network in the city of Morogoro.

Project Amount \$65.7 M

Continued progress on the tariff and utility management reform in the water sector, required under the compact, is a significant safeguard that will contribute to institutional sustainability • As of August 2010, operation and cost recovery for DAWASCO/DAWASA has improved from 108% to 111% since compact signing, achieving 98% of its annual target of 115% • The Morogoro Urban Water and Sewerage Authority saw a slight decline in its operation and cost recovery from 100% to 96%; both of these indicators are within 10% of their annual targets and will be verified with an upcoming audit.



Program Administration \$47.6 M

Monitoring and Evaluation \$10.0 M

Compact Total **\$698.1 M**



Overview

The Vanuatu Compact is focused on reducing poverty and stimulating economic growth by targeting the country's poor transportation infrastructure. The compact will benefit poor, rural agriculture producers and providers of tourist related goods and services, by reducing transportation costs and improving the reliability of access to transportation services.

Compact Signed	March 2, 2006
Entry into Force	April 28, 2006
Compact Total	\$65.7 million
Contracts Committed	\$63.8 million
Total Disbursed to date	\$62.8 million
Number of beneficiaries	14,783

Compact Projects

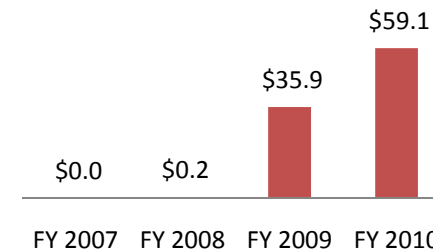
Transportation Project

This project aims to increase tourism, business development, and agriculture production by upgrading 92.5 kilometers of the Efate Ring Road and 57.2 kilometers of the Santo East Coast Road by improving road sustainability through technical support and the provision of maintenance equipment for the Public Works Department.

Progress to Date

80.1 kilometers of roads have been completed (based on handover of certificate) • Additional works have been completed to enhance road safety and sustainability, including the concreting of Klehms Hill and part of Lelepa Hill, extension and widening of the seal on the Santo East Coast Road, additional drainage and coastal erosion measures, speed calming measures repairs to bridges and rain-damaged causeways • The Government of Vanuatu has approved an annual allocation for road maintenance equivalent to approximately \$500,000 for 2010 • Effective February 2010, the Prime Minister announced the formation of a National Road Safety Council responsible for implementing a National Road Safety Campaign and National Road Safety Policy, anticipated to be operative in 2011 • During May/June 2010, the Ministry of Infrastructure and Public Utilities and its Public Works Department established dedicated road maintenance crews for the Efate Ring Road and Santo East Coast Road • In June of 2009, the Government of Vanuatu signed a funding agreement with the New Zealand Agency for International Development (NZAID) to provide an additional USD 9 million in funding support to the project.

Project Disbursements to Date (\$ in millions)



Project Amount \$60.2 M

Program Administration	\$4.5 M
Monitoring and Evaluation	\$1.1 M
Compact Total	\$65.7 M

The Millennium Challenge Corporation
Threshold Program
Data as of September 30, 2010
(\$ in millions)

THRESHOLD PROGRAM

			Cumulative Program Obligations by MCC	Cumulative Disbursements by other U.S. Government Agencies ¹
			2005 - 2010	2005 - 2010
Approved Threshold Programs				
Country	Signing Date	Status		
Albania	4/3/2006	Completed	13.9	13.7
Albania II	9/29/2008	Ongoing	15.7	10.4
Burkina Faso	7/22/2005	Completed	12.9	12.9
Guyana	8/23/2007	Completed	6.7	6.6
Indonesia	11/17/2006	Ongoing	55.0	44.9
Jordan	10/17/2006	Completed	25.0	25.0
Kenya	3/23/2007	Ongoing	12.7	9.5
Kyrgyz Republic	3/14/2008	Completed	16.0	8.9
Liberia	7/6/2010	Ongoing	15.1	-
Malawi	9/23/2005	Completed	20.9	20.1
Moldova	12/15/2006	Completed	24.7	23.9
Niger	3/17/2008	Suspended	23.1	14.3
Paraguay	5/8/2006	Completed	34.6	34.5
Paraguay II	4/13/2009	Ongoing	30.3	7.0
Peru	6/9/2008	Ongoing	35.6	19.5
Philippines	7/26/2006	Completed	20.7	20.5
Rwanda	9/24/2008	Ongoing	24.7	5.3
Sao Tome & Principe	11/9/2007	Ongoing	7.4	5.2
Tanzania	5/3/2006	Completed	11.2	10.9
Timor-Leste	9/22/2010	Ongoing	10.5	-
Uganda	3/29/2007	Completed	10.5	9.6
Ukraine	12/4/2006	Completed	45.0	41.3
Zambia	5/22/2006	Completed	22.7	22.7
Assistance for Threshold Program Preparation				
Cumulative to Other U.S. Government Agencies			2.0	1.1
Fees for Administration of Threshold Programs²				
Cumulative to Other U.S. Government Agencies			36.0	
Total			532.8	367.7

¹ Cumulative disbursements are based on USAID and U.S. Department of Treasury estimates.

² Fees for Threshold Program administration reflect allocations and transfers of MCC funds to other U.S. Government agencies, primarily USAID.

The Millennium Challenge Corporation
 Programmatic Changes
 Data as of September 30, 2010

Country	Project	Event	Solution Implemented
Tanzania	Water	<p>The analysis of the final Non-Revenue Water Reduction (NRW) Activity full design estimates led to a re-evaluation of the activity's economic rate of return resulting in a lower than acceptable value.</p>	<p>The NRW Activity was rescoped and decreased by \$30 million. The funds have been reallocated to the two water treatment activities to cover increased cost estimates and contingency. Contingency funds not used in the works will be re-invested into NRW activities to optimize the Dar es Salaam Water Utility management scheme.</p>