



June 6, 2012

The Honorable Harold Rogers
Chairman
Appropriations Committee
H-307 U.S. Capitol
U.S. House of Representatives
Washington, DC 20515

The Honorable Norman Dicks
Ranking Member
Appropriations Committee
1016 Longworth Building
U.S. House of Representatives
Washington, DC 20515

The Honorable Kay Granger
Chairwoman
Appropriations Subcommittee
on State and Foreign Operations
T-2 U.S. Capitol
U.S. House of Representatives
Washington, DC 20515

The Honorable Nita Lowey
Ranking Member
Appropriations Subcommittee
on State and Foreign Operations
1016 Longworth Building
U.S. House of Representatives
Washington, DC 20515

Dear Representatives Rogers, Dicks, Granger, and Lowey :

I have enclosed for your information the Millennium Challenge Corporation's semiannual report on the uses of funds appropriated for MCC for fiscal year 2012 and prior years. The report covers the period ending March 31, 2012.

Sincerely,

T. Charles Cooper
Vice President
Congressional and Public Affairs

Enclosures



June 6, 2012

The Honorable Daniel Inouye
Chairman
Appropriations Committee
S-128 Capitol Building
United States Senate
Washington, DC 20515

The Honorable Thad Cochran
Ranking Member
Appropriations Committee
S-128 Capitol Building
United States Senate
Washington, DC 20515

The Honorable Patrick Leahy
Chairman
Appropriations Subcommittee on
State and Foreign Operations
127 Dirksen Building
United States Senate
Washington, DC 20510

The Honorable Lindsey Graham
Ranking Member
Appropriations Subcommittee on
State and Foreign Operations
125 Hart Building
United States Senate
Washington, DC 20510

Dear Senators Inouye, Cochran, Leahy, and Graham:

I have enclosed for your information the Millennium Challenge Corporation's semiannual report on the uses of funds appropriated for MCC for fiscal year 2012 and prior years. The report covers the period ending March 31, 2012.

Sincerely,

T. Charles Cooper
Vice President
Congressional and Public Affairs

Enclosures

Millennium Challenge Corporation
Semiannual Report to Congress



MILLENNIUM
CHALLENGE CORPORATION

UNITED STATES OF AMERICA

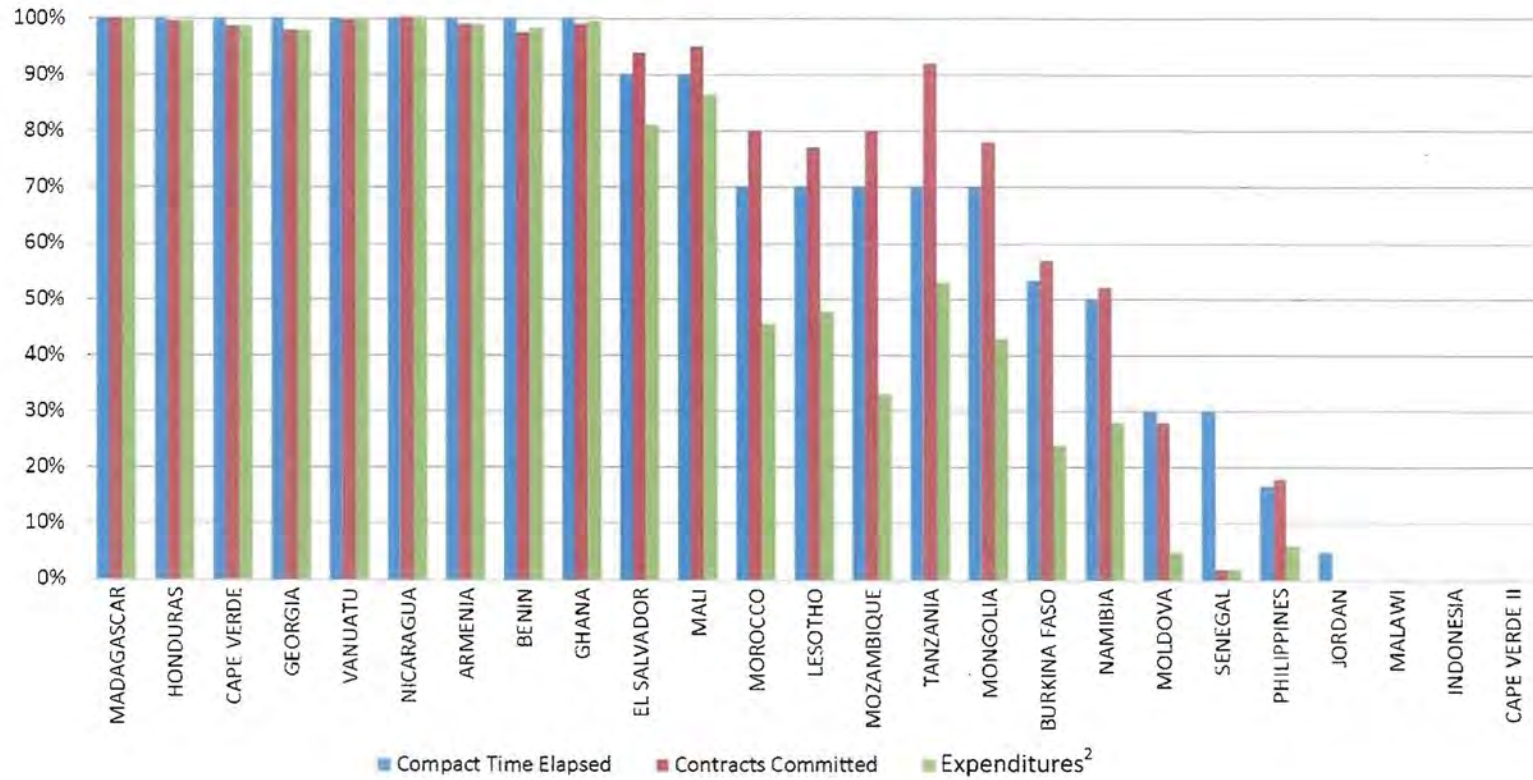
Submitted for the Period Ending March 31, 2012

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COMPACTS AT A GLANCE

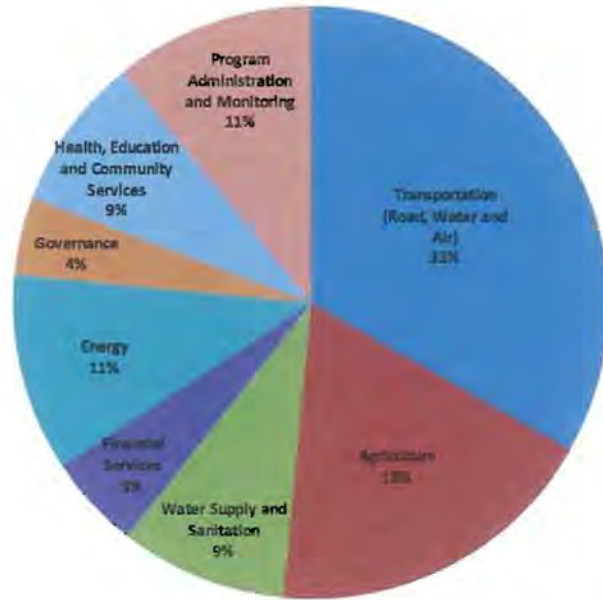
The Millennium Challenge Corporation
 Compacts at a Glance
 Data as of March 31, 2012



¹ The 100% contracts committed and funds expended for the Madagascar Compact is based on the \$85.6 million total established when the compact was terminated in May 2009.

² Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.

The Millennium Challenge Corporation
 Compacts by Sector
 Data as of March 31, 2012
 (\$ in millions)



Sector	Amount ¹ (\$ in millions)
Transportation (Road, Water and Air)	2,922.9
Agriculture	1,604.3
Water Supply and Sanitation	800.2
Financial Services	451.1
Energy	945.6
Governance	374.0
Health, Education and Community Services	734.9
Program Administration and Monitoring	954.5
Total	8,787.4

¹ Represents commitments upon compact signing.

The Millennium Challenge Corporation
 Summary by Fund Groups
 Data as of March 31, 2012
 (\$ in millions)

Fund Groups	Obligations in FY 2012	Cumulative Obligations through FY 2012, 2nd Quarter	Expenditures ¹ in FY 2012	Actual Cumulative Expenditures through FY 2012, 2nd Quarter	Projected Disbursements through the end of FY 2012
609(g) ²	1.3	134.5	11.2	109.9	18.3
614 (g)	0.0	0.3	0.2	0.3	-
Administrative	35.3	595.5	43.6	568.2	32.0
Audit	0.2	20.4	0.2	19.6	3.3
Compacts ³	233.1	7,796.8	688.2	4,153.8	1,147.3
Due Diligence	15.6	249.9	16.7	180.2	47.6
Threshold Program ⁴	(10.2)	490.5	14.1	440.4	22.8
Total	275.3	9,287.9	774.4	5,472.3	1,271.3

¹ Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.

² 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.

³ The fund group "Compacts" includes Compact Implementation Funding, Compacts, and other grants except those made using threshold program and 609(g) funds.

⁴ 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.

The Millennium Challenge Corporation
 Compact Obligations, Disbursements and Projections
 Data as of March 31, 2012
 (\$ in millions)

Country	Fund Group	Obligations pre-FY 2012	Obligations in FY 2012 through Q2	Cumulative Obligations through FY 2012 Q2	Projected Obligations in remainder of FY 2012	Expenditures ¹ pre-FY 2012	Expenditures in FY 2012 through Q2	Cumulative Expenditures through FY 2012 Q2	Projected Disbursements ²						
									FY 2012 Q 3-4	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	
Armenia <i>Signed, 3/27/2006</i> <i>EIF³, 9/27/2006</i>	609 (g)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Compacts	235.7	(58.0)	177.7	-	176.2	0.4	176.6	0.0	-	-	-	-	-	-
	Due Diligence	5.9	0.5	6.4	-	4.0	0.4	4.5	-	-	-	-	-	-	-
Benin <i>Signed, 2/22/2006</i> <i>EIF, 10/6/2006</i>	609 (g)	-	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-
	Compacts	307.3	(0.0)	307.3	-	284.8	17.0	301.7	0.0	-	-	-	-	-	-
	Due Diligence	7.4	0.1	7.6	-	5.3	0.4	5.7	-	-	-	-	-	-	-
Burkina Faso <i>Signed, 7/14/2006</i> <i>EIF, 7/31/2009</i>	609 (g)	9.4	-	9.4	-	8.0	(0.8)	7.2	-	-	-	-	-	-	-
	Compacts	478.9	-	478.9	-	78.8	35.6	114.4	67.3	170.3	117.9	-	-	-	-
	Due Diligence	13.9	2.6	16.5	-	10.4	1.9	12.2	-	-	-	-	-	-	-
Cape Verde <i>Signed, 7/4/2005</i> <i>EIF, 10/17/2005</i>	609 (g)	0.3	(0.7)	0.2	-	0.3	(0.1)	0.2	-	-	-	-	-	-	-
	Compacts	110.1	-	110.1	-	108.5	-	108.5	0.0	-	-	-	-	-	-
	Due Diligence	7.1	0.0	7.2	-	4.6	0.7	5.2	-	-	-	-	-	-	-
Cape Verde II <i>Signed, 2/10/2012</i> <i>EIF, TBD⁴</i>	609 (g)	-	1.3	-	-	-	0.1	0.1	-	-	-	-	-	-	-
	Compacts	-	4.0	-	-	-	-	-	0.0	-	-	-	-	-	-
	Due Diligence	0.2	0.3	0.4	-	0.0	0.0	0.0	-	-	-	-	-	-	-
El Salvador <i>Signed 11/29/2006</i> <i>EIF, 9/20/2007</i>	609 (g)	460.9	-	460.9	-	303.4	70.8	373.9	60.8	4.9	-	-	-	-	-
	Compacts	8.8	0.0	8.8	-	6.9	0.8	7.8	-	-	-	-	-	-	-
	Due Diligence	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Georgia <i>Signed, 9/12/2005</i> <i>EIF, 4/7/2006</i>	609 (g)	4.2	-	4.2	-	4.2	-	4.2	-	-	-	-	-	-	-
	Compacts	395.3	-	395.3	-	387.2	-	387.2	0.0	-	-	-	-	-	-
	Due Diligence	13.0	0.2	13.2	-	9.8	1.0	10.7	-	-	-	-	-	-	-
Ghana <i>Signed, 9/1/2006</i> <i>EIF, 2/16/2007</i>	609 (g)	3.3	-	3.3	-	3.3	-	3.3	-	-	-	-	-	-	-
	Compacts	547.0	0.0	547.0	-	460.1	84.1	544.2	34.2	-	-	-	-	-	-
	Due Diligence	11.3	0.6	11.8	-	8.3	1.0	9.3	-	-	-	-	-	-	-
Honduras <i>Signed, 6/13/2005</i> <i>EIF, 9/29/2005</i>	614 (g)	0.3	-	0.3	-	0.0	0.2	0.3	-	-	-	-	-	-	-
	Compacts	205.0	-	205.0	-	204.0	-	204.0	0.0	-	-	-	-	-	-
	Due Diligence	4.8	(0.0)	4.8	-	4.2	0.3	4.5	-	-	-	-	-	-	-
Indonesia <i>Signed, 11/19/2011</i> <i>EIF, TBD</i>	609 (g)	2.6	0.3	2.9	-	0.9	1.2	2.1	-	-	-	-	-	-	-
	Compacts	-	12.0	12.0	-	-	-	-	0.0	-	-	-	-	-	-
	Due Diligence	2.7	1.0	3.6	-	1.3	0.7	2.0	-	-	-	-	-	-	-
Jordan <i>Signed, 10/25/2010</i> <i>EIF, 12/13/2011</i>	609 (g)	13.3	-	13.3	-	8.2	4.4	10.6	-	-	-	-	-	-	-
	Compacts	2.1	273.0	275.1	-	1.4	(1.3)	0.0	18.3	101.8	73.9	60.2	4.2	-	-
	Due Diligence	5.6	1.0	6.6	-	3.8	0.5	4.3	-	-	-	-	-	-	-
Lesotho <i>Signed, 7/23/2007</i> <i>EIF, 9/17/2008</i>	609 (g)	1.0	-	1.0	-	1.0	-	1.0	-	-	-	-	-	-	-
	Compacts	362.8	(0.0)	362.5	-	125.9	46.7	172.7	66.7	127.5	-	-	-	-	-
	Due Diligence	15.1	0.3	15.3	-	8.1	0.9	9.1	-	-	-	-	-	-	-
Madagascar <i>Signed, 4/18/2006</i> <i>EIF, 7/27/2006</i>	609 (g)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Compacts	84.4	1.2	85.6	-	85.6	-	85.6	0.0	-	-	-	-	-	-
	Due Diligence	2.7	1.1	3.8	-	2.7	0.0	2.7	-	-	-	-	-	-	-
Malaw ⁵ <i>Signed, 4/7/2011</i> <i>EIF, TBD</i>	609 (g)	14.6	(0.0)	14.6	-	11.6	0.2	11.8	-	-	-	-	-	-	-
	Compacts	9.1	-	9.1	-	-	-	-	0.0	-	-	-	-	-	-
	Due Diligence	2.4	(0.0)	2.3	-	1.8	0.0	1.8	-	-	-	-	-	-	-
Mali ⁶ <i>Signed, 11/13/2006</i> <i>EIF, 5/17/2007</i>	609 (g)	9.7	-	9.7	-	9.7	-	9.7	-	-	-	-	-	-	-
	Compacts	460.8	-	460.8	-	311.5	86.7	388.2	59.5	21.5	-	-	-	-	-
	Due Diligence	14.0	0.1	14.1	-	8.2	0.8	9.1	-	-	-	-	-	-	-

COMPACT OBLIGATIONS / DISBURSEMENTS

The Millennium Challenge Corporation
 Compact Obligations, Disbursements and Projections (cont.)
 Data as of March 31, 2012
 (\$ in millions)

COMPACT OBLIGATIONS / DISBURSEMENTS

Country	Fund Group	Obligations pre-FY 2012	Obligations in FY 2012 through Q2	Cumulative Obligations through FY 2012 Q2	Projected Obligations in remainder of FY 2012	Expenditures ¹ pre-FY 2012	Expenditures in FY 2012 through Q2	Cumulative Expenditures through FY 2012 Q2	Projected Disbursements ²						
									FY 2012 Q 3-4	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	
Moldova Signed, 1/22/2010 EIF, 9/01/2010	609 (g)	12.7	-	12.7	-	10.4	1.1	11.5							
	Compacts	262.0	-	262.0	-	8.2	4.8	13.0		37.4	89.1	75.2	43.5		
	Due Diligence	2.7	0.7	3.4	-	1.1	0.3	1.4							
Mongolia Signed, 10/22/2007 EIF, 3/17/2008	Compacts	284.9	-	284.9	-	71.1	52.2	123.4		54.8	91.6	1.4			
	Due Diligence	11.1	1.2	12.3	-	6.2	0.4	6.6							
Morocco Signed, 8/1/2007 EIF, 3/15/2008	Compacts	697.5	-	697.5	-	219.2	98.4	317.7		122.7	233.9				
	Due Diligence	14.8	0.8	15.2	-	9.4	1.5	10.9							
Mozambique Signed, 7/13/2007 EIF, 9/22/2008	609 (g)	9.5	-	9.5	-	9.5	-	9.5							
	Compacts	506.9	-	506.9	-	109.3	58.9	168.2		114.2	211.0				
	Due Diligence	12.5	0.3	12.8	-	8.3	1.3	7.7							
Namibia Signed, 7/28/2008 EIF, 3/16/2009	609 (g)	3.2	(0.1)	3.1	-	3.1	-	3.1							
	Compacts	304.5	(0.2)	304.5	-	60.1	24.5	84.5		38.4	111.9	66.0			
	Due Diligence	6.6	0.6	7.2	-	4.0	0.5	4.5							
Nicaragua Signed, 7/14/2005 EIF, 10/6/2006	609 (g)	-	-	-	-	-	-	-							
	Compacts	113.5	(1.8)	112.0	-	112.8	(0.1)	112.7		0.0					
	Due Diligence	3.4	0.0	3.4	-	2.6	0.0	2.7							
Philippines Signed, 5/23/2010 EIF, 5/25/2011	609 (g)	9.0	-	9.0	-	3.3	1.5	4.8							
	Compacts	430.2	2.7	432.8	-	12.0	13.8	25.8		25.9	116.3	121.3	101.2	34.3	
	Due Diligence	4.9	0.1	5.0	-	2.3	0.7	3.0							
Senegal Signed, 9/16/2009 EIF, 9/23/2010	609 (g)	18.1	-	18.1	-	12.1	2.3	14.3							
	Compacts	540.0	-	540.0	-	7.1	2.8	9.8		22.8	202.2	185.5	116.9		
	Due Diligence	4.6	0.5	5.0	-	2.3	0.9	3.2							
Tanzania Signed, 2/17/2006 EIF, 9/15/2008	609 (g)	9.8	-	9.8	-	9.4	-	9.4							
	Compacts	698.1	-	698.1	-	271.6	95.2	366.8		112.2	258.9	0.9			
	Due Diligence	14.0	0.3	14.3	-	10.6	1.1	11.7							
Vanuatu Signed, 3/2/2006 EIF, 4/28/2006	Compacts	65.7	(0.3)	65.4	-	65.5	(0.1)	65.4		0.0					
	Due Diligence	2.8	0.0	2.7	-	2.0	0.1	2.1							
Zambia Signed, TBD EIF, TBD	609 (g)	12.3	-	12.3	-	4.1	3.0	7.1							
	Compacts	-	-	-	-	-	-	-		0.0					
	Due Diligence	2.8	0.4	3.2	-	1.7	0.4	2.2							
Cross-Cutting	Due Diligence/ 609(g)/614(g)/Grants	38.6	3.3	42.9	-	37.2	(1.8)	35.6							
Total		7,930.4	250.0	8,180.4	-	3,726.5	716.4	4,443.0		835.2	1,740.9	642.1	321.8	38.5	

¹ Expenditures are the sum of cash outlays and currency accounts for work in progress, also includes recovered but not yet paid. As a result, cumulative expenditures added to projected disbursements may exceed the total amount drawn due to inclusion of currency accounts in expenditures.

² MCC anticipates FY 2012 disbursements to be within 10 percent of the projections. MCC anticipates holds across the whole portfolio of compacts, and therefore, the sum of all compact disbursements may differ slightly from the sum of all work plan projections by compact countries. Provisions for FY 2012 and beyond are small in general program plans and are subject to revision. Program implementation involves uncertainty, by way of example, labor force, the procurement process, construction schedules, and the capacity of accountable entities and implementing entities.

³ Entry into force.

⁴ To be determined.

⁵ The Malawi Compact was placed on an operational hold on July 21, 2011 and later suspended by the Board of Directors due to actions by the country inconsistent with MCC's eligibility criteria.

⁶ On May 4, 2012, MCC's Board of Directors voted to withdraw the Mali Compact due to a military coup. All activities will be suspended and no later than August 31, 2012.

The Millennium Challenge Corporation
 Administrative Expenses
 Data as of March 31, 2012
 (\$ in millions)

Obligations			
Administrative Categories	Actual Use		Projected Use of FY 2012 Funds
	FY 2010	FY 2011	
Salaries and Benefits	45.8	47.9	54.0
Contracted Services	9.2	8.1	15.5
Rent, Leasehold and Improvements	7.5	9.6	5.3
Information Technology	11.8	8.6	9.3
Overseas Operations	11.2	13.4	14.8
Travel	3.1	5.5	6.0
Total¹	88.5	93.1	105.0

¹ Columns may not total correctly due to rounding.

The Millennium Challenge Corporation
Data as of March 31, 2012



- Consultations: Country selects team, analyzes constraints to growth and poverty reduction, initiates broad public consultations, and identifies projects
- Proposal: Country prepares concept papers for each proposed investment and MCC conducts initial project assessment
- Feasibility & Design: Country and MCC conduct detailed feasibility and design studies and environmental and social impact assessments to determine scope and cost of Compact
- Compact signing: Final Compact terms negotiated and Compact submitted for Board approval
- Implementation: Compact signed
- Implementation: Compact implementation process commences

The Millennium Challenge Corporation
Threshold Program
Data as of March 31, 2012
(\$ in millions)

THRESHOLD PROGRAM

	Signing Date	Status	Cumulative Program Obligations by MCC ¹	Cumulative Expenditures ² by U.S. Government Agencies
			2005 - Present	2005-Present
Country	Signing Date	Status		
Approved Threshold Programs				
Albania	4/3/2006	Completed	13.9	13.7
Albania II	9/29/2008	Completed	15.7	15.1
Burkina Faso	7/22/2005	Completed	12.9	12.9
Guyana	8/23/2007	Completed	6.7	6.6
Indonesia	11/17/2006	Completed	55.0	49.8
Jordan	10/17/2006	Completed	25.0	25.0
Kenya	3/23/2007	Completed	12.7	9.7
Kyrgyz Republic	3/14/2008	Completed	16.0	12.3
Liberia	7/6/2010	Ongoing	15.1	4.4
Malawi	9/23/2005	Completed	20.9	20.5
Moldova	12/15/2006	Completed	24.7	24.2
Niger ³	3/17/2008	Reinstated	23.1	14.6
Paraguay	5/8/2006	Completed	34.6	34.5
Paraguay II	4/13/2009	Ongoing	30.3	25.1
Peru	6/9/2008	Ongoing	35.6	33.4
Philippines	7/26/2006	Completed	20.7	20.5
Rwanda	9/24/2008	Completed	24.7	16.7
Sao Tome & Principe	11/9/2007	Completed	7.4	7.4
Tanzania	5/3/2006	Completed	10.9	10.9
Timor-Leste	9/22/2010	Ongoing	10.5	1.8
Uganda	3/29/2007	Completed	10.5	9.9
Ukraine	12/4/2006	Completed	45.0	41.8
Zambia	5/22/2006	Completed	22.7	22.7
Assistance for Threshold Program Preparation⁴				
Cumulative to Other U.S. Government Agencies			2.0	
Fees for Administration of Threshold Programs⁴				
Cumulative to Other U.S. Government Agencies			36.0	
Total			532.6	433.7

¹ Cumulative Program Obligations by MCC include MCC allocations and transfers of funds for obligation by other U.S. government agencies and reflect deobligations of funds returned to MCC.

² Cumulative expenditures are based on USAID and U.S. Department of Treasury estimates.

³ Threshold Program eligibility for Niger was reinstated in 2011, and the MCC Board approved \$2,000,000 of education activities in March 2012.

⁴ Assistance for Threshold Program Preparation and Fees for Administration of Threshold Programs reflect allocations and transfers of MCC funds to other U.S. government agencies, primarily USAID.

The Millennium Challenge Corporation
Programmatic Changes

Data as of March 31, 2012

Country	Project	Event	Solution Implemented
Mongolia	Road Project (Choir Activity and Nalaikh Activity)	Cost per kilometer revealed by bids was significantly higher than cost estimates used in developing original budget	Reallocation of the \$31,000,000 from the Nalaikh Activity to the Choir Activity
Burkina Faso	Agriculture Development Project, Di Irrigation	14% reduction in scope with an original ERR below the hurdle rate	The irrigated perimeter was reduced from 2,100 to 1,740 hectares, with an option period in the contract to build the additional 360 hectares should more funding become available
Malawi	Compact	Use of force against peaceful protestors	Compact suspended
Mali	Compact	Military coup	Compact terminated