

**SUMMARY OF THE DECEMBER 10, 2013
MEETING OF THE BOARD OF DIRECTORS
OF THE MILLENNIUM CHALLENGE CORPORATION**

The following is a summary of the December 10, 2013, meeting of the Board of Directors (the “Board”) of the Millennium Challenge Corporation (“MCC”), which was held in closed session beginning at 10:05 a.m. at the U.S. Department of State, Washington, D.C.

The following individuals were present at the meeting:

DIRECTORS AND ALTERNATES, ACTING AS DIRECTORS:

The Honorable John F. Kerry, Secretary of State (chair);
Marisa Lago, Assistant Secretary of the Treasury for International Affairs, (attending for Secretary of Treasury) (Vice Chair);
Dr. Rajiv Shah, Administrator, United States Agency for International Development (USAID);
Mary Ryckman, Senior Policy Advisor, Trade and Development – Women’s Issues, Plus One for United States Trade Representative (USTR) (attending for Ambassador Michael Froman, USTR);
Daniel W. Yohannes, Chief Executive Officer, MCC;
Lorne Craner, Private Sector Board Member;
Mark Green, Private Sector Board Member; and,
Morton Halperin, Private Sector Board Member.

INVITED GUESTS (at all or a portion of the meeting):

Gayle Smith, Special Assistant to the President and Senior Director, National Security Staff (NSS), and
Cristina Killingsworth, Program Examiner, Office of Management and Budget (OMB).

OTHER PARTICIPANTS (at all or a portion of the meeting):

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| 1. Heather Higginbottom (State +1); | 14. Cassandra Butts (MCC); |
| 2. David Atteberry (USAID +1); | 15. Frances Reid (MCC); |
| 3. Adna Karamehic-Oates (Mr. Halperin +1); | 16. Sheila Herrling (MCC); |
| 4. Steven Kaufmann (MCC +1); | 17. Paul Weinberger (MCC); |
| 5. Monica Kladakis (Mr. Craner +1); | 18. Chantale Wong (MCC) |
| 6. Chris Tuttle (Amb. Green +1); | 19. Kamran Khan (MCC); |
| 7. Todd Kushner (State); | 20. Jonathan Bloom (MCC); |
| 8. Daniella Ballou-Aares (State); | 21. Jolyne Sanjak (MCC); |
| 9. Krishanti Vignarajah (State); | 22. Thomas G. Hohenthauer (MCC); |
| 10. Rebecca Grutz (State); | 23. John Mantini (MCC); |
| 11. Luke Ney (USAID); | 24. Jim Blades (MCC); |
| 12. Carl Westphal (Treasury); | 25. Alicia Phillips Mandaville (MCC); |
| 13. Melvin F. Williams, Jr. (MCC); | 26. Chris Maloney (MCC); |

27. Nasserie Carew (MCC);
28. Tom Kelly (MCC);
29. Jim Mazzarella (MCC);
30. Andrea Hayes-Birchler (MCC); and
31. Pamela Woodard (MCC).

1. Administrative Resolutions. The Board approved the minutes from the September 12, 2013, Board meeting.

2. CEO Update. Mr. Yohannes began with compact and threshold program updates. The compact in Zambia entered into force in November, 2013. A proposed compact with Ghana is expected to be brought to the Board in FY 2014, targeting key issues in the power sector. MCC is waiting for final results of recent Presidential elections held in Honduras which were reported by international observers to have been open and transparent. Nepal needs to form a seated government, but national elections held there in November were likewise reported as successful.

On administrative matters, Mr. Yohannes expressed appreciation to the Board for their support during his term as MCC CEO. He highlighted accomplishments noting especially collaborative work with USAID, and expressed confidence in MCC as a thought leader committed to evidence-based decision making. The Chair thanked Mr. Yohannes and Mr. Green for their service on behalf of MCC.

3. FY 2014 Selection Process. The Board heard a presentation on MCC's FY 2014 selection process that focused on MCC's mission, the legislative mandates required to be considered as part of the process, and the consultative procedures and supplemental information that inform the Board in its selection decisions. Specific information was provided on Lesotho as a candidate for second compact consideration; on Ghana, Niger, and Tanzania for compact reselection consideration; and on Guatemala and Nepal for threshold program reselection consideration.

The Board then reviewed the standards and precedent for reselection decisions involving countries that are in compact development but are not meeting scorecard criteria. Specific information was then provided on the four countries previously selected that currently do not pass the scorecard: Liberia and Morocco that did not pass half of the overall indicators, and Benin and Sierra Leone that did not pass the Control of Corruption hard hurdle. The Board indicated it expects Liberia and Morocco to pass the scorecard before it would approve a compact with either country. After discussion on the failure of Benin and Sierra Leone to pass the Control of Corruption indicator, the Board determined not to vote on reselection of the countries, but supported an approach of limited engagement with each, together with an expectation that they would pass the Control of Corruption indicator before any proposed compact could be approved.

4. Executive Session. The Board voted to approve Lesotho as eligible for development of a new compact; to approve Ghana, Niger, Tanzania, Liberia and Morocco as eligible to continue compact development; and to approve Guatemala and Nepal as eligible for continued

development of threshold programs. The Board also requested that it be provided with reports on the civil society consultations and on MCC's engagement with governments of those countries that did not pass the scorecard as well as Tanzania.

The Board meeting adjourned at 11:18 a.m.