

**SUMMARY OF THE JUNE 17, 2008 MEETING OF
THE BOARD OF DIRECTORS
OF THE MILLENNIUM CHALLENGE CORPORATION**

The following is a summary of the June 17, 2008 meeting of the Board of Directors (the “Board”) of the Millennium Challenge Corporation (“MCC”), which was held in closed session at 10:00 a.m. at the U.S. Department of State, Washington, D.C.

1. The following individuals were present at the meeting:

DIRECTORS AND ALTERNATES, ACTING AS DIRECTORS:

Condoleezza Rice, Secretary of State (Chair)

Clay Lowery, Deputy Secretary of the Treasury

(Representing David H. McCormick for Henry M. Paulson, Jr. (Vice Chair),
Secretary of Treasury)

Ambassador John Veroneau, Deputy United States Trade Representative

Henrietta Fore, Administrator, USAID

John J. Danilovich, Chief Executive Officer, MCC

Lorne W. Craner, Private Sector Member

William H. Frist, Private Sector Member

Kenneth F. Hackett, Private Sector Member

Alan J. Patricof, Private Sector Member

INVITED GUEST: Stephen J. Hadley, NSC

OTHER PARTICIPANTS (at all or a portion of the meeting): Daniel Sullivan (State); Kenneth Peel (Treasury); Mary Ryckman (USTR); James Kunder (USAID); Gretchen Birkle (Mr. Craner +1); Mauro De Lorenzo (Frist +1); Dennis Shin (Mr. Hackett +1); Julie Sunderland (Patricof +1); Michael Magan (NSC +1); William G. Anderson, Jr. (MCC); Matthew Bohn (MCC); Jonathan Bloom (MCC); Michael Casella (MCC); Maureen Harrington (MCC); Sherri Kraham (MCC); Darius Mans (MCC); James Mazzarella (MCC); Matthew McLean (MCC); Dennis Nolan (MCC); Henry Pitney (MCC); Gina Porto (MCC); Frances Reid (MCC); Darius Teter (MCC); Kateri Clement (MCC); Richard Day (MCC); Fathma Jalloh (MCC); Thomas Kelly (MCC); Kristina McNeff (MCC); Kristin Penn (MCC); Alicia Phillips Mandaville (MCC); W. Stacy Rhodes (MCC); Jolyne Sanjak (MCC); John Crosby (State); Bruce Overton (MCC); and Suzi Morris (MCC).

2. Administrative Resolutions. The Board approved the minutes of the March 11, 2008 Board meeting; the Board also approved the minutes of the March 11, 2008 Audit Committee meeting.
3. CEO Update. The MCC CEO updated the Board on MCC operations, including meetings with NGO’s, members of Congress, and diaspora groups. In the past months Ambassador Danilovich has met with groups of Armenia-Americans, Filipino-Americans, and Salvadoran-Americans to discuss MCC initiatives regarding these

countries and how further private investment can complement MCC investments. In addition, MCC has signed agreements to collaborate with the Phelps-Stokes Foundation and the Alliance for a Green Revolution in Africa. With respect to the compact pipeline, the Ambassador stated that, upon Board approval, MCC expected to sign both the Burkina Faso and Namibia Compacts before the end of July. The Ambassador also reported on the support MCC has received from outside organizations that have urged Congress not to go forward with a rescission of MCC appropriations in order to fund humanitarian aid for Jordan and Myanmar (Burma).

4. Armenia Update Discussion. The Board discussed its concerns with respect to the deterioration in civil liberties and irregularities in recent elections in Armenia. The Chair provided a review of diplomatic exchanges at the highest levels. While no resolution was taken with respect to Armenia's Compact, the Board agreed that it will closely monitor progress on Armenia's pledges to address these issues and that the matter would continue to be a subject of ongoing discussion for the Board.
5. Compact Implementation Update. Vice President for Compact Implementation, Darius Mans, provided an update on the status of many current programs. In particular, he noted that by the end of this fiscal year, nearly all (94.5%) compact funds will have been committed in Honduras, with 2 years left to complete implementation of the compact. Similarly, almost 80% of compact funds in Nicaragua will have been committed, with more than 2 ½ years left to complete implementation of the compact. In El Salvador, a more recent compact, about 20% of compact funds will have been committed, with almost four years left to complete compact implementation. Mr. Mans also reported that MCC is well on its way to meet its goal of disbursing \$450 million dollars in this fiscal year.
6. Burkina Faso Compact. The Burkina Faso Transaction Team presented a summary of the elements of the proposed compact. Discussion centered on the need to quantify economic returns on MCC's investment and the difficulties that ensue from gauging these returns in a data-poor country. The Transaction Team stated that as more data becomes available, there will be more capacity to quantify economic returns. A portion of the Compact's monitoring and evaluation funding is designated to enhance the capability of Burkina Faso's government statistics office which will result in a better view of the economic returns. The Board unanimously approved the Compact.
7. Approval of amendments to the Mali and Madagascar Compacts. By written consent, the Board approved the extension of the compact with Madagascar from four years to five. It also approved by written consent an amendment to the compact with Mali which resulted in a major restructuring of grant programs but which did not change the total compact funds, i.e. \$460.8 million.
8. The meeting adjourned at approximately 10:57 AM.

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