

**SUMMARY OF THE JUNE 21, 2012
MEETING OF
THE BOARD OF DIRECTORS
OF THE MILLENNIUM CHALLENGE CORPORATION**

The following is a summary of the June 21, 2012, meeting of the Board of Directors (the “Board”) of the Millennium Challenge Corporation (“MCC”), which was held in closed session at 3:04 p.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:

Daniel W. Yohannes, Chief Executive Officer, MCC (Acting Chair);
Cheryl Mills, Chief of Staff, Department of State
for Hillary Rodham Clinton, Secretary of State (Chair);
Scott Morris, Deputy Assistant Secretary, Department of Treasury
for Timothy F. Geithner, Secretary of Treasury (Vice Chair);
Mary Ryckman, Assistant U.S. Trade Representative for Trade and Development,
for Ambassador Ron Kirk, United States Trade Representative;
Steve Radelet, Chief Economist, USAID
for Dr. Rajiv Shah, Administrator, U.S. Agency for International Development;
Ambassador Mark Green, Private Sector Member; and
Julie Sunderland
for Alan J. Patricof, Private Sector Member.

INVITED GUEST:

Keri Lowery, Director for Democracy and Development (attending on behalf of Gayle Smith, National Security Council (Special Assistant to the President and Senior Director for Relief, Stabilization, and Development)).

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

Robert Hormats (State +1); Chris McCoy (Treasury+1); Tom Crubaugh (USAID+1); Steven Kaufmann (MCC+1); Chris Tuttle (Amb. Green+1); Krishanti Vignarajah (State); Lailee Moghtader (Treasury); Rebecca Grutz (State); David Young (State); Cassandra Butts (MCC); Patrick Fine (MCC); Sheila Herrling (MCC); Melvin F. Williams, Jr. (MCC); Chantale Wong (MCC); Jonathan Bloom (MCC); Jim Parks (MCC); Henry Pitney (MCC); Nasserie Carew (MCC); James Gerard (MCC); Tom Kelly (MCC); Kyeh Kim (MCC); Sherri Kraham (MCC); John Mantini (MCC); Jim Mazzarella (MCC); Agnieska Rawa (MCC); Alicia Mandaville (MCC); Margaret Dennis (MCC); Meredith Cabelka (MCC); Tamara Heimer (MCC); and Susie Sullivan (MCC).

1. Administrative Resolutions. The Board approved the minutes from the March 22, 2012, meeting.
2. CEO Update. MCC CEO Daniel Yohannes began his update with a status report on two agenda items: the Malawi compact and the Mali compact. Mr. Yohannes noted that the Government of Malawi had taken a number of very positive steps since the previous Board meeting, and MCC is recommending that the Board reinstate the Malawi compact. He further noted that the MCC team is conducting an orderly windup to the Mali compact.

Mr. Yohannes briefed the Board on his recent trip to Jordan where he was able to participate in the signing of MCC's largest Public Private Partnership deal – a \$184 million co-investment with the private sector to expand As-Samra, one of the Middle East's largest wastewater treatment facilities. Upon completion in three years, this facility will safely process 80 percent of Amman's wastewater and produce much needed clean water for irrigation. The agreement establishes a build-operate-transfer contract between the Government of Jordan and a private consortium, which will professionally operate the facility for the next 25 years. Mr. Yohannes also briefed the Board on his recent trip to Morocco where he was repeatedly told by ministry employees that the MCC model is fast becoming the model of choice across the Government of Morocco.

Mr. Yohannes concluded his CEO Update by thanking David Young for his service as the State Department liaison to MCC and wishing him luck on his next assignment at the State Department.

3. Malawi Compact Reinstatement. The Department of Policy and Evaluation provided an overview of the steps the Government of Malawi has taken to reverse the decline in democratic governance. The presentation pointed out that reinstatements are extremely rare, but the level of actions taken by the Government of Malawi were extraordinary and merit reinstatement. Members of the Board agreed with the assessment and were supportive of reinstating the Malawi Compact.
4. Mali Compact Update. The Board was briefed on the wind-up of the Mali Compact. They were informed of the worsening of the democratic situation in Mali in order to give context regarding the political climate in which the wind-up activities are taking place. There were three objectives of the Mali Compact wind-up: to secure the worksites and insure no hazardous conditions are left behind; to preserve the investments already made and preserve the value of the taxpayer dollars that have been spent; and to protect the beneficiaries. Members of MCA-Mali have been extraordinary partners and have worked diligently to wind-up the Compact under tough circumstances. The Board wished to express their gratitude to MCA-Mali for their continued work.
5. Audit Committee Report. Julie Sunderland, Acting Chair of the Audit Committee, reported that the Committee met to discuss the ongoing audit activity. Ms. Sunderland described the discussion on the MCA accrual accounting issues and noted that the Audit Committee was happy with the improvements made in this area and hopeful that this issue would be fully resolved by the December Audit Committee meeting. The Audit Committee also discussed: improving MCA timeliness of reporting to MCC; the improvement of MCC financial reporting control; the progress of eliminating cash balance issues with USAID; and several Inspector General audits. Ms. Sunderland noted that issues of concern to the Audit Committee in the past are on a very good trajectory to have efficient systems in place by the next meeting.
6. Executive Session. The Board voted to re-instate the Malawi Compact.

The Board meeting was adjourned at 4:22 p.m.

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