

**SUMMARY OF THE JUNE 22, 2011  
MEETING OF  
THE BOARD OF DIRECTORS  
OF THE MILLENNIUM CHALLENGE CORPORATION**

The following is a summary of the June 22, 2011, 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.

The following individuals were present at the meeting:

**DIRECTORS AND ALTERNATES, ACTING AS DIRECTORS:**

Daniel W. Yohannes, Chief Executive Officer, MCC; (acting as Chair);  
Thomas Nides, Deputy Secretary of State;  
Neal S. Wolin, Deputy Secretary  
for Timothy F. Geithner, Secretary of Treasury (Vice Chair);  
Mary Ryckman, Assistant United States Trade Representative  
for Ambassador Ron Kirk, United States Trade Representative;  
Steve Radelet, Chief Economist  
for Dr. Rajiv Shah, Administrator, U.S. Agency for International Development;  
Ambassador Mark Green, Private Sector Member; and  
Alan Patricof, Private Sector Member.

**INVITED GUESTS:**

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));  
Rob Fairweather, Office of Management and Budget (Deputy Associate Director for International Affairs)

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

Steven Kaufmann (MCC+1); Robert Hormats (State +1); John Hurley (Treasury+1); Carol Grigsby (USAID+1); Chris Tuttle (Amb. Green+1); Julie Sunderland (Mr. Patricof+1); Luke Ney (USAID); Christopher McCoy (Treasury); Maya Seiden (State); Julie Nutter (State); David Young (State); Frances Reid (MCC); Melvin Williams, Jr. (MCC); Victoria Wassmer (MCC); Patrick Fine (MCC); Chuck Cooper (MCC); Sheila Herrling (MCC); Henry Pitney (MCC); Margaret Yao (MCC); Jonathan Bloom (MCC); Andrew Mayock (MCC); John Mantini (MCC); Bruce Overton (MCC); Jim Mazzarella (MCC); Bryant Jones (OMB); Jim Parks (MCC); Sherri Kraham (MCC); Steve Quick (MCC); Tom Kelly (MCC); Virginia Seitz (MCC); Susie Crocker (MCC); and Romell Cummings (MCC).

1. Administrative Resolutions. The Board approved the minutes from the March 23, 2011, meeting.
2. CEO Update. MCC CEO Daniel Yohannes updated the Board on his recent travels to Armenia, Namibia, Zambia, and Tanzania. Mr. Yohannes noted that the MCA-Armenia program will implement the country's largest irrigation infrastructure refurbishments, while also helping to enhance the irrigation system's sustainability through assistance to farmers, agribusinesses, and water supply institutions. These projects are expected to increase economic growth, improve food security, and reduce poverty. In Namibia, MCC is in the early stages of implementing a \$304.5 million compact focused on education, agriculture, and ecotourism. While in Zambia, Mr. Yohannes attended the AGOA annual conference along with Secretary Clinton and Ambassador Kirk, and delivered remarks. Mr. Yohannes also had the opportunity to meet with President Banda to deliver the message that it is important for Zambia to fight corruption, and for the upcoming elections to be free and fair.

Mr. Yohannes' trip concluded with a visit to Tanzania, where he and Secretary Clinton saw the effects of MCC's program. Secretary Clinton and Mr. Yohannes visited a plant powered by GE turbines that Washington, DC-based Symbion Power LLC just purchased. Symbion purchased the plant, and is modifying it to deliver reliable power. Along with the energy component, the \$698 million Tanzania Compact also includes water and transportation projects. Together with the private sector, MCC is both directly and indirectly helping to address the challenges of the energy sector in Tanzania. Energy is Tanzania's principle constraint to growth under the Partnership for Growth constraints analysis conducted by economists from Tanzania, USAID, the State Department, and MCC.

3. Compact Operations Highlights. Patrick Fine, Vice President of MCC's Department of Compact Operations (DCO), provided a brief overview of MCC's compact operations highlights. Mr. Fine reported that MCC's portfolio is on track, and compacts with Georgia, Nicaragua, and Vanuatu have recently been completed. During this discussion, Mr. Fine stressed the importance of managing results, and transitioning MCC's focus on compacts from outcomes to impact.

Alan Patricof reported on his trip to Georgia for the closeout of the \$395 million compact there. He was impressed by both the road project, which will have economic impact over time and the caliber of the MCA staff.

Dr. Virginia Seitz, Senior Director, Gender and Social Assessment, reported on MCC's approach and achievements in gender integration. Dr. Seitz stated that increasing opportunities for women improves their wellbeing, and improves the impact of the investment. In Nicaragua, the benefits of gender integration were evidenced in the design details of the \$58 million roads project, and expanded employment opportunities for

women and men. Moving forward, MCC is ensuring that gender integration is standard practice in future compacts.

4. Policy Reform. Sheila Herrling, Vice President of the Department of Policy and Evaluation (DPE), reported on MCC's efforts to increase impact through policy reform. MCC plans to use policy reform as a tool to increase development impact, build on past experience, and leverage the expertise and roles of MCC, other U.S. Government agencies, and international partners. Policy reform at MCC is driven by being selective, letting country performance drive the terms and level of engagement, and focusing on results. Policy reform that relates to economic growth will be a particular focus of MCC going forward.
5. Reinstatement of Niger Threshold Program. Sheila Herrling also reported that Niger had improved its standing significantly, and told the Board that MCC was seeking the Board's approval to lift the suspension on Niger's eligibility. Should the suspension be lifted, MCC would hold discussions with the Government of Niger and return to the Board at a later time with a proposed Threshold Program.
6. Audit Committee Report. Deputy Secretary Neal Wolin, Chair of the Audit Committee, reported that the Committee reviewed progress made by MCC's Financial Integrity Task Force, which is addressing the material weaknesses identified in the FY 2010 Financial Statement Audit. MCC also told the Committee that it is on-track to complete all seventeen audit recommendations by the Office of the Inspector General.
7. Executive Session. At this time, the Board took up CEO Daniel Yohannes' recommendation to reinstate eligibility for Niger under the Threshold Program. The Board concurred with the CEO's recommendation and approved the resolution.

The Board meeting was adjourned at 11:39 a.m.

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