

**SUMMARY OF THE SEPTEMBER 12, 2013
MEETING OF THE BOARD OF DIRECTORS
OF THE MILLENNIUM CHALLENGE CORPORATION**

The following is a summary of the September 12, 2013, meeting of the Board of Directors (the “Board” of the Millennium Challenge Corporation (“MCC”), which was held in closed session at 1:34 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 (Chairing for Secretary of State);
Lael Brainard, Under Secretary of the Treasury for International Affairs, (attending for Secretary of Treasury) (Vice Chair);
Heather Higginbottom, Counselor and Plus One for the Secretary of State (attending for Secretary of State);
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);
Eric Postel, U.S. Agency for International Development (USAID) Assistant Administrator for Bureau of Economic Growth, Education and Environment (attending for Dr. Rajiv Shah, Administrator);
Mark Green, Private Sector Board Member;
Morton Halperin, Private Sector Board Member; and
Monica Kladakis, Plus One for Private Sector Board Member Lorne Craner (attending for Mr. Craner).

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. John Hurley (Treasury+1); | 10. Rebecca Grutz (State); |
| 2. Virginia Brown (USAID+1); | 11. Carl Westphal (Treasury) |
| 3. Adna Karamehic-Oates (Mr. Halperin+1); | 12. Luke Ney (USAID); |
| 4. Steven Kaufmann (MCC+1); | 13. Melvin F. Williams, Jr. (MCC); |
| 5. Chris Tuttle (Mr. Green+1); | 14. Cassandra Butts (MCC); |
| 6. Keri Lowery (NSS+1); | 15. Kamran Khan (MCC); |
| 7. Daniella Ballou-Aares (State); | 16. Paul Weinberger (MCC); |
| 8. Krishanti Vignarajah (State); | 17. Chantale Wong (MCC); |
| 9. Todd Kushner (State); | 18. Sheila Herrling (MCC); |

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| 19. Lia Hanley (MCC); | 28. Kristina McNeff (MCC); |
| 20. Jonathan Bloom (MCC); | 29. John Underwood (MCC); |
| 21. Andrew Mayock (MCC); | 30. Chris Maloney (MCC); |
| 22. Tom Hurley (MCC); | 31. Alicia Mandaville (MCC); |
| 23. Jolyne Sanjak (MCC); | 32. James Gerard (MCC); |
| 24. Laura Leussing (MCC); | 33. Heather Hanson (MCC); |
| 25. Jim Blades (MCC); | 34. Ann Barnes (MCC); |
| 26. Jim Mazzarella (MCC); | 35. Pamela Woodard (MCC); and |
| 27. Tom Kelly (MCC); | 36. Mahmoud Bah (MCC). |

The Chair called the meeting to order at 1:34 p.m.

1. Administrative Resolutions. The Board approved the minutes from the June 19, 2013, Board and Audit Committee meetings.
2. CEO Update. Mr. Yohannes began with Compact and Threshold updates. In August, 2013, we signed the \$140 million compact with Georgia focusing on education, particularly related to Science Technology Engineering and Mathematics. We are pleased that the Compact, which was originally negotiated by the prior government, has received support from the Prime Minister, a number of his Cabinet members and each of the presidential candidates for the October election. A \$15.8 million Threshold Program Agreement was signed with Honduras. The program will improve the Government's public financial management and private sector partnership. The Malawi Compact, anticipated to have a huge impact on the country's ability to be competitive, is expected to enter into force later in September, 2013. Lesotho, Mongolia, Morocco, Mozambique and Tanzania Compacts are closing within the next two weeks.

On administrative matters, Kamran Khan, MCC's new Vice President for Compact Operations, was introduced to the Board. An investment forum on the sidelines of the U.N. General Assembly later in September will provide an audience with the heads of state or government of Tanzania, Morocco, Lesotho and Mozambique for the U.S. business community for to encourage investment by U.S. companies in these MCC compact countries. Finally, the CEO announced his nomination by President Obama to be the U.S. Ambassador to OECD.

3. Open Data and Transparency. The Board heard a presentation on MCC's progress and efforts in the areas of open data and transparency. MCC is committed to transparency as a means to improve development effectiveness and increase the impact of MCC programs. Being transparent enhances MCC's reputation as an effective service provider, ensures accountability, and allows collective learning. MCC applies principles of transparency at every stage of the MCC program life cycle; starting with the method for choosing partner countries, to the analyses that guide investment decisions after selection, to quarterly publication of expenditures and program performance, and finally the publication of data and sharing of results of independent evaluations. Specific accomplishments include: release of the first five independent evaluations

in October, 2012; launching of MCC's Open Data Catalogue; publication of evaluation survey data behind the independent evaluations; formation of a Disclosure Review Board to guide data preparation; development of a disclosure policy; and, an update to MCC's Open Government plan. Challenges include: public criticism to which transparency opens an agency; requiring strong leadership to stand with the organization when things do not go well; assuring that the agency remains accountable for applying lessons learned; and making the significant investment in people and architecture necessary to implement the commitment to open data and transparency. Getting information into the hands of MCC partner counties, enabling them to run their own development programs, reducing waste and duplication, and concentrating resources, can encourage private companies to open up and use their data for development impact.

4. Selection Criteria and Methodology Report. An overview of the proposed country selection process was given in preparation for selection of FY14 partner countries. There were no major changes in the process from last year.
5. El Salvador Compact. The CEO introduced the El Salvador Compact presentation by the Department of Compact Operations. The presentation noted effective interagency collaboration among MCC, State, USAID, USTR, the other PFG partner agencies in working with the Government of El Salvador in development of the compact programs that are designed to address a key constraint to the country's economic development. The \$277 million Compact seeks to improve El Salvador's productivity and competitiveness in international markets by (1) partnering with the private sector to enhance the country's investment climate, (2) strengthening its future workforce and (3) reducing critical transportation and logistics costs. The Government of El Salvador is demonstrating its support through an \$88 million contribution in this Compact, that has the potential to more fully engage the private sector in the country's development strategy, should lead to increased investment, economic growth and poverty reduction.
6. Executive Session. The Board voted to approve the Selection Criteria and Methodology Report, and the El Salvador Compact.

The Board meeting adjourned at 2:33 p.m.