

**SUMMARY OF THE DECEMBER 19, 2012
MEETING OF
THE BOARD OF DIRECTORS
OF THE MILLENNIUM CHALLENGE CORPORATION**

The following is a summary of the December 19, 2012, meeting of the Board of Directors (the “Board”) of the Millennium Challenge Corporation (“MCC”), which was held in closed session at 10:08 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 (Chair);
Neal Wolin, Deputy Secretary, (attending for Timothy F. Geithner, Secretary of Treasury (Vice Chair);
Cheryl Mills, Chief of Staff (attending on behalf of Hillary Rodham Clinton, Secretary of State);
Mary Ryckman, Senior Policy Advisor, (attending for Ambassador Ron Kirk, United States Trade Representative);
Rajiv Shah, Administrator, USAID;
Mark Green, Private Sector Member; and
Alan J. Patricof, Private Sector Member.

INVITED GUEST:

Gayle Smith, Special Assistant to the President and Senior Director, National Security Staff;
Cristina Killingsworth, Program Examiner, OMB.

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

Scott Morris (Treasury+1); Eric Postel (USAID+1); Steven Kaufmann (MCC+1); Chris Tuttle (Green+1); Julie Sunderland (Particof+1); Keri Lowery (NSS+1); Rebecca Grutz (State); Robin Matthewman (State); Krishanti Vignarajah (State); Lailee Moghtader (Treasury); Luke Ney (USAID); Cassandra Butts (MCC); Chuck Cooper (MCC); Patrick Fine (MCC); Sheila Herrling (MCC); Frances Reid (MCC); Melvin F. Williams, Jr. (MCC); Chantale Wong (MCC); Jonathan Bloom (MCC); Tom Hurley (MCC); Andrew Mayock (MCC); Jim Parks (MCC); Henry Pitney (MCC); Terry Bowie (MCC); Nasserie Carew (MCC); Lia Hanley (MCC); Laura Leussing (MCC); John Mantini (MCC); Jim Mazarella (MCC); Alicia Mandaville (MCC); Andria Hayes-Birchler (MCC); Meredith Cabelka (MCC); and Susie Sullivan (MCC).

1. Administrative Resolutions. The Board approved the minutes from the September 13, 2012 meeting.
2. CEO Update. MCC CEO Daniel Yohannes began his presentation by announcing that MCC’s second compact with Cape Verde entered into force on November 30th. This compact is expected to impact over 600,000 people by reforming the water and sanitation and land management sectors. Progress is being made in the development of Benin’s second compact. The Government of Ghana is currently assessing the proposed compact development investments.

MCC received a clean audit of its financial statements for the second year in a row.

Lorne Craner's nomination is proceeding through the Senate and the President has nominated Mort Halperin to the Board after Alan Patricof's term ends.

MCC's new publication, *Advancing Prosperity*, summarized MCC's achievements over the last eight years, including the signing of eight new compacts totaling about \$2.9 billion in investments that are expected to impact over 138 million beneficiaries and increase incomes by almost \$5 billion. The publication also highlights the release of MCC's first five independent impact evaluations.

Mr. Yohannes concluded his report with a focus on the future, to include the challenges of sustainability and the critical role of rigorous impact evaluations, not just to measure accomplishments but to learn how to better design and implement investments to reduce poverty.

3. Fiscal Year 2013 Selection Process. The Department of Policy and Evaluation led the discussion on MCC's selection process, and reminded the Board that the legislation requires that the Board review three factors when making their decisions: (1) policy performance using the scorecards; (2) funds available; and (3) the opportunity to reduce poverty through growth. MCC recommended Tanzania and Morocco for second compacts, Sierra Leone, Liberia, and Niger for new compact eligibility, and Guatemala for new threshold eligibility. MCC further recommended to reselect Benin, Georgia, Ghana, and El Salvador for compact eligibility, and reselect Honduras and Nepal for threshold eligibility.
4. Audit Committee Report. Mr Patricof, who chaired the Audit Committee meeting that took place just prior to the Board meeting, provided a brief summary of the meeting to the Board.
5. Executive Session. The Board voted to approve Liberia, Morocco, Niger, Sierra Leone, Tanzania, and reselect Benin, El Salvador, Georgia, and Ghana as compact eligible in FY13. The Board also voted to approve Guatemala, and reselect Honduras and Nepal as threshold eligible in FY13

Before closing the meeting, Mr. Yohannes took the opportunity to thank Alan Patricof for his service to the MCC as a member of the Board of Directors since 2007. In her absence, Cheryl Mills also expressed the appreciation of the Secretary of State. Mr. Patricof remarked on his experience as a member of the Board of Directors and thanked Julie Sunderland, his plus one during his term, for her service to him and to MCC.

The Board meeting was adjourned at 11:48 a.m.

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