

Millennium Challenge Corporation
Semiannual Report to Congress



MILLENNIUM
CHALLENGE CORPORATION

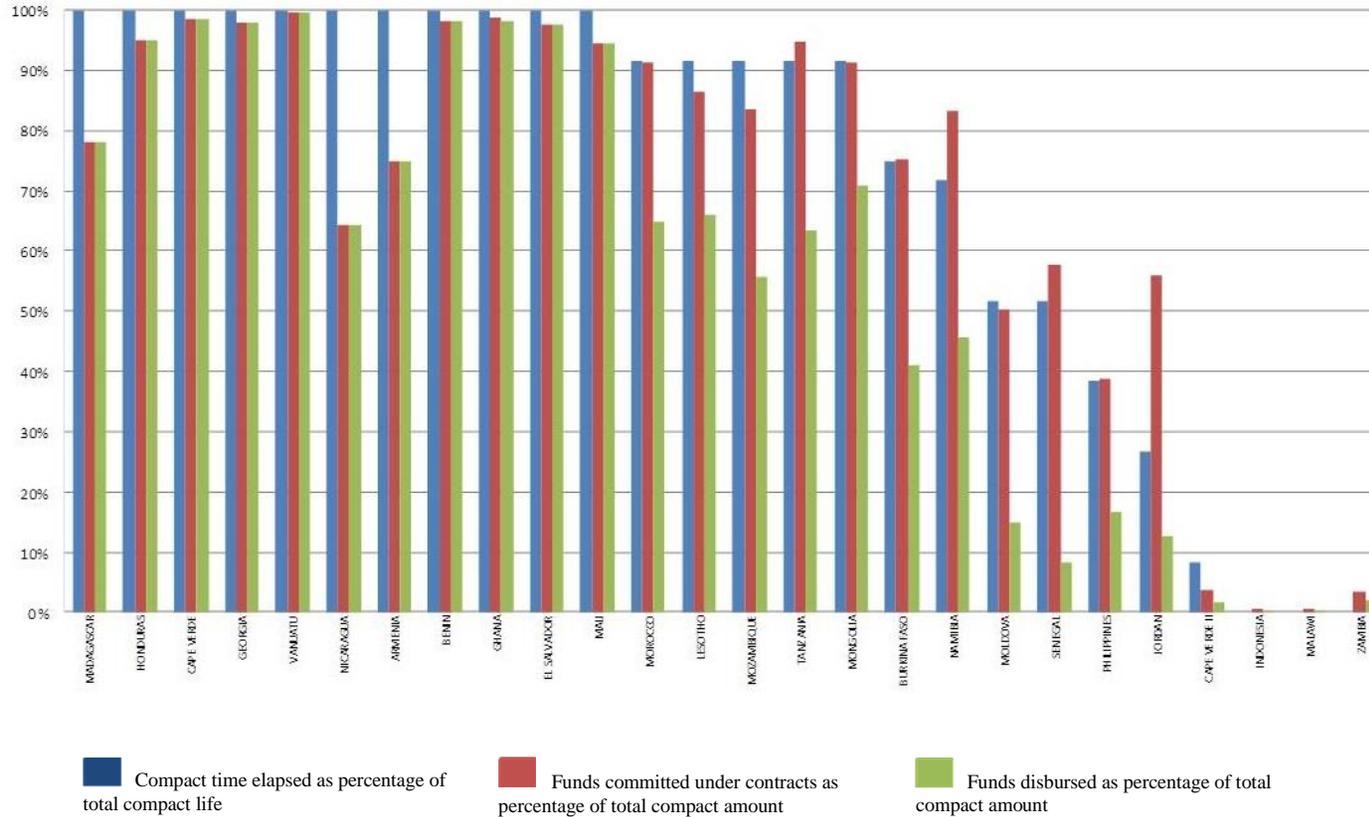
UNITED STATES OF AMERICA

Submitted for the Period Ending March 31, 2013

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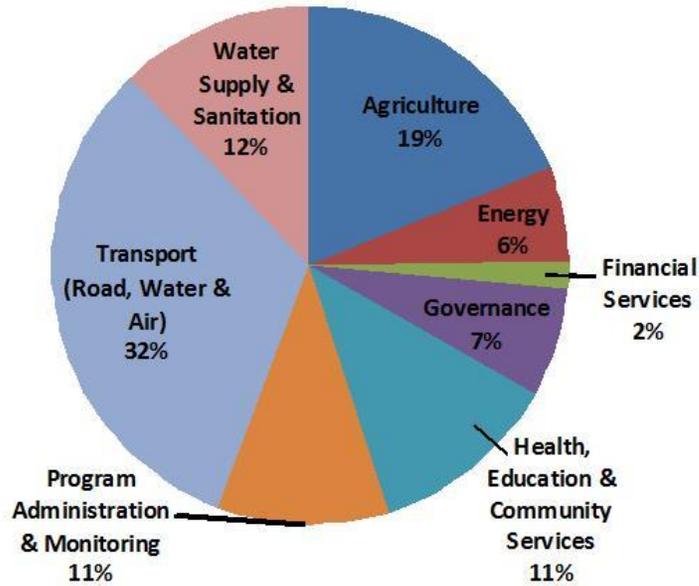
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The Millennium Challenge Corporation
 Compacts at a Glance
 Data as of March 31, 2013



¹ MCC now reports on progress toward a total compact amount rather than funds committed under contracts as in previous reports. Closed compacts display a time elapsed of 100% and their final commitment and disbursement amounts at the time of compact closure.

The Millennium Challenge Corporation
 Compacts by Sector
 Data as of March 31, 2013
 (\$ in millions)



Sector	Amount ¹
Transport (Road, Water & Air)	2,918.2
Agriculture	1,708.0
Water Supply & Sanitation	1,099.2
Health, Education & Community Services	1,064.5
Program Administration & Monitoring	983.3
Governance	618.5
Energy	539.7
Financial Services	160.4
Total²	\$9,091.7

¹ Represents commitments upon compact signing.

² Column may not total correctly due to rounding.

The Millennium Challenge Corporation
 Summary by Fund Groups
 Data as of March 31, 2013
 (\$ in millions)

Fund Groups	Obligations in FY 2013	Cumulative Obligations through FY 2013 Q2	Disbursements in FY 2013	Actual Cumulative Disbursements through FY 2013 Q2
609(g) ¹	8.2	152.7	8.6	126.5
614 (g)	0.0	0.3	0.0	0.3
Administrative	35.8	698.1	47.7	656.1
Audit	-	25.2	1.7	24.5
Compacts ²	15.5	7,822.8	568.2	5,020.5
Due Diligence	14.5	300.8	21.0	219.6
Threshold Program ³	(9.2)	482.6	5.0	462.8
Total⁴	64.9	9,482.5	652.3	6,510.3

¹ The fund group "609(g)" includes funds under section 609(g) of the Millennium Challenge Act of 2003, as amended, other than Compact Implementation Funding.

² The fund group "Compacts" includes Compact Implementation Funding, Compacts, and other grants except those made using threshold program and 609(g) fund groups.

³ Data for the threshold program are provided by USAID, except for the Sao Tome and Principe threshold program, which is administered by U.S. Department of Treasury. USAID's data for this report are from its General Ledger by country rather than its Threshold Country Programs report. USAID is working to rectify discrepancies between these two data sources.

⁴ Columns may not total correctly due to rounding.

The Millennium Challenge Corporation
Compact Obligations, Disbursements and Projections¹
Data as of March 31, 2013
(\$ in millions)

Country	Fund Group	Obligations pre-FY 2013	Obligations in FY 2013 through Q2	Cumulative Obligations through FY 2013 Q2	Projected Obligations in remainder of FY 2013	Disbursements pre-FY 2013	Disbursements in FY 2013 through Q2	Cumulative Disbursements through FY 2013 Q2	Projected Disbursements ²					
									FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	
Armenia	609 (g)	-	-	-	-	-	-	-						
Signed, 3/27/2006	Compacts	177.7	(1.1)	176.6		176.6	-	176.6						
EIF ³ , 9/27/2006	Due Diligence	6.2	-	6.2		4.7	0.1	4.8						
Benin	609 (g)	-	-	-	-	-	-	-						
Signed, 2/22/2006	Compacts	301.8	-	301.8		301.8	-	301.8						
EIF, 10/6/2006	Due Diligence	8.0	0.3	8.3		6.1	0.5	6.6						
Burkina Faso	609 (g)	9.4	-	9.4		7.4	0.3	7.6						
Signed, 7/14/2008	Compacts	478.6	-	478.6		137.0	58.9	195.8	101.03	158.6				
EIF, 7/31/2009	Due Diligence	19.9	2.1	22.0		14.8	2.2	17.1						
Cape Verde	609 (g)	0.2	-	0.2		0.2	-	0.2						
Signed, 7/4/2005	Compacts	110.1	(1.6)	108.5		108.5	-	108.5						
EIF, 10/17/2005	Due Diligence	7.3	(0.0)	7.3		5.3	0.0	5.3						
Cape Verde II	609 (g)	1.3	0.0	1.4		0.4	0.2	0.6						
Signed, 2/10/2012	Compacts	4.0	62.2	66.2		0.3	0.7	1.0	1.46	1.0				
EIF, 11/3/2012	Due Diligence	2.0	0.1	2.1		0.3	0.7	1.0						
El Salvador	609 (g)	460.9	(11.4)	449.6		432.3	17.3	449.6						
Signed, 11/29/2006	Compacts	10.1	1.2	11.3		8.2	0.7	8.9						
EIF, 9/20/2007	Due Diligence	-	-	-		-	-	-						
Georgia	609 (g)	4.2	-	4.2		4.2	0.3	4.5						
Signed, 9/12/2005	Compacts	395.3	(8.1)	387.2		387.2	-	387.2						
EIF, 4/7/2006	Due Diligence	14.2	0.3	14.5		11.5	0.9	12.4						
Ghana	609 (g)	3.3	-	3.3		3.3	-	3.3						
Signed, 8/1/2006	Compacts	547.0	(0.0)	547.0		540.0	(3.8)	536.3						
EIF, 2/16/2007	Due Diligence	14.1	0.3	14.4		10.5	1.0	11.4						
Honduras	614 (g)	0.3	-	0.3		0.3	0.0	0.3						
Signed, 6/13/2005	Compacts	205.0	(1.0)	204.0		204.0	-	204.0						
EIF, 9/29/2005	Due Diligence	5.0	0.0	5.0		4.6	0.1	4.7						
Indonesia	609 (g)	10.1	1.9	12.0		3.1	2.1	5.2						
Signed, 11/19/2011	Compacts	12.0	-	12.0	588.0	-	1.4	1.4	4.19	4.3	1.7			
EIF, 4/2/2013	Due Diligence	4.8	0.1	4.9		2.3	0.9	3.2						
Jordan	609 (g)	13.3	-	13.3		11.1	0.9	12.0						
Signed, 10/25/2010	Compacts	275.1	-	275.1		15.4	19.3	34.7	40.11	109.2	64.3	13.7		
EIF, 12/13/2011	Due Diligence	7.2	0.7	7.9		4.9	0.1	4.9						
Lesotho	609 (g)	1.0	-	1.0		1.0	-	1.0						
Signed, 7/23/2007	Compacts	362.6	-	362.6		195.7	43.6	239.3	57.54	3.2				
EIF, 9/17/2008	Due Diligence	18.8	0.3	19.2		9.9	1.2	11.1						
Madagascar	609 (g)	-	-	-		-	-	-						
Signed, 4/18/2005	Compacts	85.6	(0.0)	85.6		85.6	-	85.6						
EIF, 7/27/2005	Due Diligence	3.7	-	3.7		2.7	0.0	2.8						
Malawi¹	609 (g)	14.4	0.4	14.8		11.8	1.2	13.0						
Signed, 4/7/2011	Compacts	8.9	0.2	9.1	341.6	-	0.4	0.4	4.01					
EIF, TBD	Due Diligence	3.6	0.9	4.5		1.9	0.9	2.8						
Mali²	609 (g)	9.7	-	9.7		9.7	-	9.7						
Signed, 11/13/2006	Compacts	460.8	(25.2)	435.6		428.7	6.9	435.6						
EIF, 9/17/2007	Due Diligence	15.0	(0.2)	14.7		10.0	0.5	10.5						

COMPACT OBLIGATIONS / DISBURSEMENTS

The Millennium Challenge Corporation
Compact Obligations, Disbursements and Projections (cont.)

Data as of March 31, 2013

(\$ in millions)

Country	Fund Group	Obligations pre-FY 2013	Obligations in FY 2013 through Q2	Cumulative Obligations through FY 2013 Q2	Projected Obligations in remainder of FY 2013	Disbursements pre-FY 2013	Disbursements in FY 2013 through Q2	Cumulative Disbursements through FY 2013 Q2	Projected Disbursements ²					
									FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	
Moldova	609 (g)	12.7	2.4	15.1		11.8	0.1	12.0						
	Signed, 1/22/2010	262.0	-	262.0		24.7	14.3	39.0						
	EIF, 9/01/2010	3.7	0.8	4.6		1.7	0.7	2.5	50.1	86.9	49.6			
Mongolia	609 (g)	284.9	-	284.9		163.2	38.6	201.8	65.18	2.1				
	Signed, 10/22/2007	13.3	1.1	14.3		8.4	1.5	9.9						
	EIF, 9/17/2008	-	-	-		-	-	-						
Morocco	609 (g)	697.5	-	697.5		360.0	92.9	452.9	141.46					
	Signed, 8/31/2007	18.1	(1.2)	16.9		12.4	1.8	14.2						
	EIF, 9/15/2008	-	-	-		-	-	-						
Mozambique	609 (g)	9.5	-	9.5		9.5	-	9.5						
	Signed, 7/13/2007	506.9	-	506.9		202.0	80.8	282.8	81.98	38.0				
	EIF, 9/22/2008	15.5	(0.3)	15.3		7.8	0.9	8.7						
Namibia	609 (g)	3.1	-	3.1		3.1	-	3.1						
	Signed, 7/28/2008	304.5	(0.0)	304.5		104.9	33.8	138.7	55.58	94.0				
	EIF, 9/16/2009	7.6	1.2	8.8		4.8	0.4	5.3						
Nicaragua	609 (g)	-	-	-		-	-	-						
	Signed, 7/14/2005	112.7	-	112.7		112.7	-	112.7						
	EIF, 5/26/2006	3.5	-	3.5		2.7	0.0	2.7						
Philippines	609 (g)	9.0	0.1	9.1		7.8	0.4	8.2						
	Signed, 9/23/2010	432.8	1.1	433.9		45.0	27.2	72.2	65.22	135.2	116.6	36.2		
	EIF, 5/25/2011	5.5	0.8	6.2		3.7	0.3	4.0						
Senegal	609 (g)	18.1	-	18.1		15.8	1.0	16.8						
	Signed, 9/16/2009	540.0	-	540.0		12.8	32.8	45.6	66.81	248.1	161.3	21.1		
	EIF, 9/23/2010	7.0	1.5	8.5		4.5	1.1	5.6						
Tanzania	609 (g)	9.8	-	9.8		9.8	-	9.8						
	Signed, 2/17/2008	697.8	0.4	698.1		344.9	97.6	442.5	143.84	1.8				
	EIF, 9/15/2008	16.2	0.3	16.5		12.7	1.1	13.7						
Vanuatu	609 (g)	65.4	-	65.4		65.4	-	65.4						
	Signed, 3/2/2006	-	-	-		-	-	-						
	EIF, 4/28/2006	2.7	(0.0)	2.7		2.1	-	2.1						
Zambia	609 (g)	15.3	0.7	16.0		8.0	1.5	9.5						
	Signed, 5/10/2012	15.3	-	15.3	339.5	1.3	5.4	6.7	4.26					
	EIF, TBD	4.8	0.1	4.9		2.4	0.2	2.6						
Cross-Cutting	Due Diligence/ 609 (g)/614(g)/Grants	48.4	6.9	55.3		37.6	3.6	41.1						
Total		8,236.2	38.2	8,274.5		4,766.9	597.7	5,364.6	882.77	882.4	393.5	71.0		

¹ Numbers may not total due to rounding.

² MCC anticipates FY 2013 disbursements to be within 10 percent of the projections. MCC assesses risks across the whole portfolio of compacts, and therefore, the sum of all compact countries' disbursements, as stated above, is expected to be lower than the sum of all work plan projections by compact countries. Projections for FY 2013 and beyond are based on general program plans and are subject to revision. Program implementation involves uncertainty associated with factors such as the procurement process, construction schedules, and the capacity of accountable entities and implementing entities.

³ Entry into force.

⁴ The Malawi Compact was placed on an operational hold on July 27, 2011, and later suspended by the Board of Directors due to actions by the country inconsistent with MCC's eligibility criteria. The Compact was reinstated in June 2012.

⁵ On May 4, 2012, MCC's Board of Directors voted to terminate the Mali Compact due to a military coup. The Compact was terminated August 24, 2012.

The Millennium Challenge Corporation
 Administrative Expenses
 Data as of March 31, 2013
 (\$ in millions)

ADMINISTRATIVE EXPENSES

Obligations			
Administrative Categories	Actual Use		Planned Use of FY 2013 Funds
	FY 2011	FY 2012	
Human Capital	48.4	52.7	54.4
Contracted Services	9.8	12.8	7.6
Rent, Leasehold and Improvements	7.3	9.2	7.7
Information Technology	10.0	9.6	8.9
Overseas Operations	13.7	14.3	15.7
Travel	4.6	5.0	5.4
Total¹	93.8	103.5	99.7

¹ Columns may not total correctly due to rounding.

The Millennium Challenge Corporation
 Data as of March 31, 2013
 (\$ in millions)

COMPACTS IN DEVELOPMENT

Compact Development Progress Timeline															
Country	Threshold Program / 1st Compact completion dates	FY 2011			FY 2012				FY 2013				FY 2014		Potential Investment
		Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	
 Georgia	1st Compact completed April 2011	Analysis	Proposal & Assessment			Feasibility & Design				Board Presentation	Compact Signing	Implementation		\$140	
 Ghana	1st Compact completed February 2012	Analysis	Proposal & Assessment				Feasibility & Design				Board Presentation		\$300-350		
 El Salvador	1st Compact completed September 2012				Analysis	Proposal & Assessment			Feasibility & Design		Board Presentation	Compact Signing	Implementation	\$277	
 Benin	1st Compact completed October 2011				Analysis	Proposal & Assessment				Feasibility & Design		Board Presentation	\$250-300		
 Liberia,  Morocco,  Sierra Leone,  Tanzania,  Niger	Liberia: Threshold program complete (June 2013) Morocco: 1st Compact complete (September 2013) Tanzania: 1st Compact complete (September 2013) Niger: Threshold program in implementation								Preliminary Analysis & Consultations		Proposal & Assessment		TBD		

Analysis	Country selects team, analyzes constraints to growth and poverty reduction, initiates broad public consultations, and identifies projects
Proposal & Assessment	Country prepares concept papers for each proposed investment and MCC conducts initial project assessment
Feasibility & Design	Country and MCC conduct detailed feasibility and design studies and environmental and social impact assessments to determine scope and cost of Compact

Board Presentation	Final Compact terms negotiated and Compact submitted for Board approval
Compact signing	Compact signed
Implementation	Compact implementation process commences

The Millennium Challenge Corporation
Threshold Program
Data as March 31, 2013
(\$ in millions)

THRESHOLD PROGRAM

			Cumulative Program Obligations by MCC ¹	Cumulative Expenditures ² by U.S. Government Agencies
			2005 - Present	2005-Present
Country	Signing Date	Status		
Approved Threshold Programs				
Albania	4/3/2006	Completed	13.9	13.7
Albania II	9/29/2008	Completed	15.7	15.2
Burkina Faso	7/22/2005	Completed	12.9	12.9
Guyana	8/23/2007	Completed	6.6	6.6
Indonesia	11/17/2006	Completed	55.0	49.8
Jordan	10/17/2006	Completed	25.0	25.0
Kenya	3/23/2007	Completed	12.7	9.9
Kyrgyz Republic	3/14/2008	Completed	16.0	12.3
Liberia	7/6/2010	Ongoing	15.1	12.1
Malawi	9/23/2005	Completed	20.9	20.5
Moldova	12/15/2006	Completed	24.7	24.1
Niger ³	3/17/2008	Reinstated	23.1	15.7
Paraguay	5/8/2006	Completed	34.6	34.5
Paraguay II	4/13/2009	Completed	30.3	28.2
Peru	6/9/2008	Completed	35.6	34.0
Philippines	7/26/2006	Completed	20.7	20.5
Rwanda	9/24/2008	Completed	24.7	18.2
Sao Tome & Principe	11/9/2007	Completed	7.4	7.4
Tanzania	5/3/2006	Completed	10.9	10.9
Timor-Leste	9/22/2010	Ongoing	10.5	6.6
Uganda	3/29/2007	Completed	10.5	9.9
Ukraine	12/4/2006	Completed	45.0	41.4
Zambia	5/22/2006	Completed	22.7	22.7
Assistance for Threshold Program Preparation⁴				
Cumulative to Other U.S. Government Agencies			2.0	
Fees for Administration of Threshold Programs⁴				
Cumulative to Other U.S. Government Agencies			36.0	
Total			532.6	452.3

¹ Cumulative Program Obligations by MCC include MCC allocations and transfers of funds for obligation by other U.S. government agencies and reflect deobligations of funds returned to MCC.

² Cumulative expenditures are based on USAID and U.S. Department of Treasury estimates.

³ Threshold Program eligibility for Niger was reinstated in 2011, and the MCC Board approved \$2,000,000 of education activities in March 2012.

⁴ Assistance for Threshold Program Preparation and Fees for Administration of Threshold Programs reflect allocations and transfers of MCC funds to other U.S. government agencies, primarily USAID.

The Millennium Challenge Corporation
 Programmatic Changes
 Data as of March 31, 2013

PROGRAMMATIC CHANGES

Country	Project	Event	Action Implemented
Burkina Faso	Roads Projects	<p>As reported in the last Semiannual Report to Congress, \$14.1 million was reallocated from the Rural Roads Activity to the Primary Roads Activity, as bids for the Primary Roads Activity exceeded the amount budgeted.</p> <p>Subsequently, improvements in cost management and revised contingency provisions for the Primary Roads Activity freed up budget to allow reconsideration of Lot 1 of the Rural Roads Activity.</p>	MCC approved a total reallocation of \$3.3 million to proceed with construction of one lot of the Rural Roads Activity.