

Millennium Challenge Corporation
Semiannual Report to Congress



MILLENNIUM
CHALLENGE CORPORATION

UNITED STATES OF AMERICA

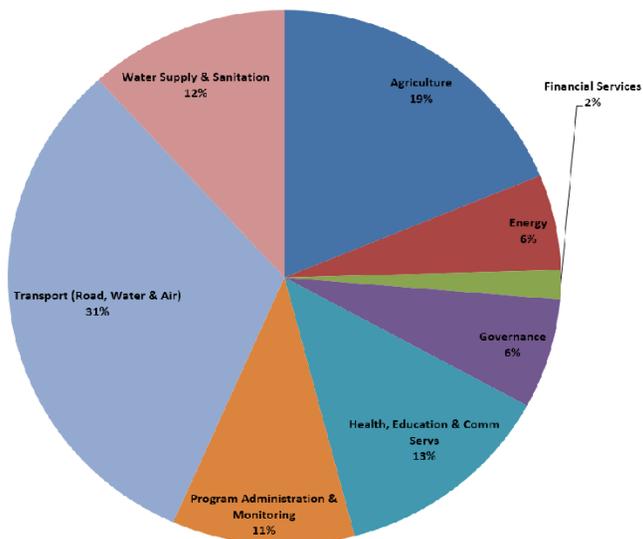
Submitted for the Period Ending September 30, 2013

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MCC Portfolio by Sector (FY 2014 Q1)

investments by Sector



Sector	Amount (\$ Millions)
Transport (Road, Water & Air)	2,919.0
Agriculture	1,731.7
Water Supply & Sanitation	1,083.2
Health, Education & Community Services	1,194.6
Program Administration & Monitoring	985.4
Governance	613.3
Energy	532.9
Financial Services	161.3
Total	\$ 9,221.4

Results by Sector

Sector	Indicator	Cumulative Target for FY2014 (Oct '13—Sept '14)	Actuals	Total Portfolio Actuals	Countries Tracked
<i>Sector</i>	<i>Indicators listed are MCC's common indicators, which are selected to aggregate sector results across countries</i>	<i>Cumulative annual target for the indicator for only active compacts</i>	<i>Cumulative value for the indicator for only active compacts</i>	<i>Cumulative value for the indicator for both closed and active compacts (2005-Present)</i>	<i>Underlined text indicates compacts that are still active</i>
ROADS	Value of signed contracts for road works	\$636,087,683	\$697,558,200	\$2,347,087,923	Armenia, <u>Burkina Faso</u> , Cape Verde, El Salvador, Georgia, Ghana, Honduras, Mali, <u>Moldova</u> , <u>Mongolia</u> , <u>Mozambique</u> , Nicaragua, <u>Philippines</u> , <u>Senegal</u> , <u>Tanzania</u> , Vanuatu
	Kilometers of roads under works contracts	1,110	1,109	3,937	
	Kilometers of roads completed	982	0	2,191	
AGRICULTURE & IRRIGATION	Hectares under new or improved irrigation	10,900	625	138,511	Armenia, <u>Burkina Faso</u> , Cape Verde, El Salvador, Georgia, Ghana, Honduras, Madagascar, Mali, <u>Moldova</u> , <u>Morocco</u> , <u>Mozambique</u> , <u>Namibia</u> , Nicaragua, <u>Senegal</u>
	Value of agricultural and rural loans	\$14,500,000	\$6,031,782	\$85,923,022	
	Farmers trained	50,470	20,215	267,436	
	Enterprises assisted	365	529	4,131	
WATER & SANITATION	Value of signed contracts for water and sanitation works	\$145,865,000	\$198,298,126	\$537,981,999	Cape Verde II, El Salvador, Georgia, Ghana, <u>Jordan</u> , <u>Lesotho</u> , <u>Mozambique</u> , <u>Tanzania</u>
EDUCATION	Students participating	47,257	36,958	228,607	
	Facilities completed	453	431	721	
	Value of signed contracts for construction and/or equipping of educational facilities	\$113,140,941	\$117,158,646	\$178,735,347	<u>Burkina Faso</u> , El Salvador, Ghana, <u>Mongolia</u> , <u>Morocco</u> , <u>Namibia</u>
LAND	Stakeholders trained	11,738	10,150	31,806	Benin, <u>Burkina Faso</u> , <u>Cape Verde II</u> , Ghana, <u>Lesotho</u> , Madagascar, Mali, <u>Mongolia</u> , <u>Mozambique</u> , <u>Namibia</u> , Nicaragua, <u>Senegal</u>
	Land administration offices established	47	0	169	

The Millennium Challenge Corporation
 Summary by Fund Groups
 Data as of September 30, 2013
 (\$ in millions)

SUMMARY BY FUND GROUPS

Fund Groups	Obligations in FY 2013	Cumulative Obligations through FY 2013 Q4	Disbursements in FY 2013	Cumulative Disbursements through FY 2013 Q4
609(g) ¹	10.9	163.6	9.9	136.3
614 (g)	0.0	0.3	0.0	0.3
Administrative	62.0	760.1	44.9	701.0
Audit	4.7	29.2	3.4	27.9
Compacts ²	922.4	8,745.1	827.4	5,848.0
Due Diligence	30.3	331.1	19.0	238.6
Threshold Program	10.7	493.3	3.0	465.8
Total³	1,041.1	10,523.5	907.6	7,417.9

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 Columns may not total correctly due to rounding.

Millennium Challenge Corporation
Compact Obligations, Disbursements, and Projections
Data as of September 30, 2013 (\$ in millions)

COMPACT OBLIGATIONS / DISBURSEMENTS

Country	Fund Group	Obligations Through FY 2013 Q4	Obligations in FY 2013 Q3 - Q4	Cumulative Obligations through FY 2013 Q4	Disbursements through FY 2013 Q4	Disbursements in FY 2013 Q3 - Q4	Cumulative Disbursements through FY 2013 Q4	Projected Disbursements ¹					
								FY 2014	FY 2015	FY 2016	FY 2017		
Armenia <i>Signed, 3/27/2006</i> <i>Entry into Force (EIF), 9/29/2006</i>	609 (g)	-	-	-	-	-	-	-	-	-	-	-	-
	Compacts	176.6	-	176.6	176.6	-	176.6	-	-	-	-	-	-
	Due Diligence	6.2	0.4	6.6	4.8	0.2	5.0	-	-	-	-	-	-
Benin <i>Signed, 2/22/2006</i> <i>EIF, 10/6/2006</i>	609 (g)	-	-	-	-	-	-	-	-	-	-	-	-
	Compacts	301.8	-	301.8	301.8	-	301.8	-	-	-	-	-	-
	Due Diligence	8.3	1.1	9.4	6.6	0.1	6.7	-	-	-	-	-	-
Burkina Faso <i>Signed, 7/14/2008</i> <i>EIF, 7/31/2009</i>	609 (g)	9.4	-	9.4	7.6	0.1	7.7	-	-	-	-	-	-
	Compacts	478.6	0.4	479.0	195.8	70.0	265.9	-	-	-	-	-	-
	Due Diligence	22.0	3.0	25.0	17.1	1.5	18.5	207.2	-	-	-	-	-
Cabo Verde <i>Signed, 7/4/2005</i> <i>EIF, 10/17/2005</i>	609 (g)	0.2	-	0.2	0.2	-	0.2	-	-	-	-	-	-
	Compacts	108.5	-	108.5	108.5	-	108.5	-	-	-	-	-	-
	Due Diligence	7.3	0.3	7.5	5.3	0.1	5.4	-	-	-	-	-	-
Cabo Verde II <i>Signed, 2/10/2012</i> <i>EIF, 11/30/2012</i>	609 (g)	1.4	(0.0)	1.4	0.6	0.3	0.9	-	-	-	-	-	-
	Compacts	66.2	-	66.2	1.0	1.8	2.8	4.3	-	-	-	-	-
	Due Diligence	2.1	1.7	3.8	1.0	0.5	1.6	-	-	-	-	-	-
El Salvador <i>Signed, 11/29/2006</i> <i>EIF, 9/20/2007</i>	Compacts	449.6	-	449.6	449.6	-	449.6	-	-	-	-	-	-
	Due Diligence	11.3	0.6	12.0	8.9	0.7	9.7	-	-	-	-	-	-
Georgia <i>Signed, 9/12/2005</i> <i>EIF, 4/7/2006</i>	609 (g)	4.2	-	4.2	4.5	(0.3)	4.2	-	-	-	-	-	-
	Compacts	387.2	(0.0)	387.2	387.2	-	387.2	-	-	-	-	-	-
	Due Diligence	14.5	0.2	14.8	12.4	0.4	12.8	-	-	-	-	-	-
Georgia II <i>Signed, 7/26/2013</i> <i>EIF, TBD</i>	609 (g)	2.7	-	2.7	0.4	0.7	1.1	-	-	-	-	-	-
	Compacts	-	3.4	3.4	-	-	-	3.2	0.15	-	-	-	-
	Due Diligence	0.8	0.8	1.6	0.3	0.1	0.3	-	-	-	-	-	-
Ghana <i>Signed, 8/1/2006</i> <i>EIF, 2/16/2007</i>	609 (g)	3.3	-	3.3	3.3	-	3.3	-	-	-	-	-	-
	Compacts	547.0	(10.7)	536.3	536.3	-	536.3	-	-	-	-	-	-
	Due Diligence	14.4	0.9	15.3	11.4	1.0	12.4	-	-	-	-	-	-
Honduras <i>Signed, 6/13/2005</i> <i>EIF, 9/29/2005</i>	614 (g)	0.3	-	0.3	0.3	-	0.3	-	-	-	-	-	-
	Compacts	204.0	-	204.0	204.0	-	204.0	-	-	-	-	-	-
	Due Diligence	5.0	0.1	5.1	4.7	0.1	4.8	-	-	-	-	-	-
Indonesia <i>Signed, 11/19/2011</i> <i>EIF, 4/2/2013</i>	609 (g)	12.0	0.0	12.0	5.2	1.9	7.1	-	-	-	-	-	-
	Compacts	12.0	588.0	600.0	1.4	25.2	26.6	43.1	84.1	151.5	185.2	-	-
	Due Diligence	4.9	0.8	5.7	3.2	0.3	3.5	-	-	-	-	-	-
Jordan <i>Signed, 10/25/2010</i> <i>EIF, 12/13/2011</i>	609 (g)	13.3	-	13.3	12.0	1.1	13.0	-	-	-	-	-	-
	Compacts	275.1	-	275.1	34.7	22.1	56.8	97.1	71.1	19.3	-	-	-
	Due Diligence	7.9	0.3	8.2	4.9	0.5	5.4	-	-	-	-	-	-
Lesotho <i>Signed, 7/23/2007</i> <i>EIF, 9/17/2008</i>	609 (g)	1.0	-	1.0	1.0	-	1.0	-	-	-	-	-	-
	Compacts	362.6	-	362.6	239.3	85.0	324.4	-	-	-	-	-	-
	Due Diligence	19.2	1.3	20.5	11.1	0.8	12.0	-	-	-	-	-	-
Madagascar <i>Signed, 4/18/2005</i> <i>EIF, 7/27/2005</i>	609 (g)	-	-	-	-	-	-	-	-	-	-	-	-
	Compacts	85.6	-	85.6	85.6	-	85.6	-	-	-	-	-	-
	Due Diligence	3.7	-	3.7	2.8	-	2.8	-	-	-	-	-	-
Malawi <i>Signed, 4/7/2011</i> <i>EIF, 9/20/2013</i>	609 (g)	14.8	(0.0)	14.8	13.0	1.0	14.0	-	-	-	-	-	-
	Compacts	9.1	341.6	350.7	0.4	1.3	1.7	19.8	102.3	78.9	65.5	-	-
	Due Diligence	4.5	0.7	5.2	2.8	0.3	3.1	-	-	-	-	-	-
Mali <i>Signed, 11/13/2006</i> <i>EIF, 9/17/2007</i>	609 (g)	9.7	-	9.7	9.7	-	9.7	-	-	-	-	-	-
	Compacts	435.6	-	435.6	435.6	-	435.6	-	-	-	-	-	-
	Due Diligence	14.7	(0.1)	14.6	10.5	0.6	11.1	-	-	-	-	-	-

COMPACT OBLIGATIONS / DISBURSEMENTS

Country	Fund Group	Obligations Through FY 2013 Q4	Obligations in FY 2013 Q3 - Q4	Cumulative Obligations through FY 2013 Q4	Disbursements through FY 2013 Q4	Disbursements in FY 2013 Q3 - Q4	Cumulative Disbursements through FY 2013	Projected Disbursements			
								FY 2014	FY 2015	FY 2016	FY 2017
Moldova <i>Signed, 1/22/2010</i> <i>EIF, 9/1/2010</i>	609 (g) Compacts Due Diligence	15.1 262.0 4.6	- - 0.6	15.1 262.0 5.2	12.0 39.0 2.5	0.1 22.0 0.7	12.1 61.0 3.1	129.6	66.5		
Mongolia <i>Signed, 10/22/2007</i> <i>EIF, 9/17/2008</i>	Compacts Due Diligence	284.9 14.3	0.0 2.3	284.9 16.6 -	201.8 9.9 -	55.2 1.2 -	257.0 11.1 -				
Morocco <i>Signed, 8/31/2007</i> <i>EIF, 9/15/2008</i>	Compacts Due Diligence	697.5 16.9	(0.2) 1.7	697.3 18.6 -	452.9 14.2 -	124.4 1.6 -	577.3 15.8 -				
Mozambique <i>Signed, 7/13/2007</i> <i>EIF, 9/22/2008</i>	609 (g) Compacts Due Diligence	9.5 506.9 15.3	- (0.0) 1.3	9.5 506.9 16.5	9.5 282.8 8.7	- 112.5 0.6	9.5 395.3 9.3				
Namibia <i>Signed, 7/28/2008</i> <i>EIF, 9/16/2009</i>	609 (g) Compacts Due Diligence	3.1 304.5 8.8	- - 0.9	3.1 304.5 9.7	3.1 138.7 5.3	- 48.0 0.5	3.1 186.6 5.7	119.4			
Nicaragua <i>Signed, 7/14/2005</i> <i>EIF, 5/26/2006</i>	609 (q) Compacts Due Diligence	- 112.7 3.5	- (0.7) -	- 112.7 2.8	- 112.7 2.7	- - -	- 112.7 2.7				
Philippines <i>Signed, 9/23/2010</i> <i>EIF, 5/25/2011</i>	609 (g) Compacts Due Diligence	9.1 433.9 6.2	(0.0) - 1.0	9.1 433.9 7.2	8.2 72.2 4.0	0.7 38.7 0.4	8.9 110.9 4.3	91.6	149.4	82.1	
Senegal <i>Signed, 9/16/2009</i> <i>EIF, 9/23/2010</i>	609 (g) Compacts Due Diligence	18.1 540.0 8.5	- - 1.3	18.1 540.0 9.8	16.8 45.6 5.6	0.7 40.0 1.2	17.6 85.6 6.8	196.9	257.4		
Tanzania <i>Signed, 2/17/2008</i> <i>EIF, 9/17/2008</i>	609 (g) Compacts Due Diligence	9.8 698.1 16.5	- 0.0 1.5	9.8 698.1 18.0	9.8 442.5 13.7	- 177.5 1.0	9.8 620.1 14.7				
Vanuatu <i>Signed, 3/2/2006</i> <i>EIF, 4/28/2006</i>	Compacts Due Diligence	65.4 2.7	- (0.1)	65.4 2.6	65.4 2.1	- -	65.4 2.1				
Zambia <i>Signed, 5/10/2012</i> <i>EIF, 11/15/2013</i>	609 (g) Compacts Due Diligence	16.0 15.3 4.9	0.0 - 1.5	16.0 15.3 6.4	9.5 6.7 2.6	2.7 3.9 0.7	12.2 10.6 3.3	12.9	92.9	73.2	135.5
Cross-Cutting	Due Diligence/ 609(g)/614(g)/ Grants	51.8	17.8	69.6	40.4	5.1	45.5				
Total	Compacts	8,274.5	963.6	9,238.1	5,364.6	856.4	6,221.0	925.3	813.8	404.9	386.2

¹ MCC anticipates FY 2014 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 2014 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. Cabo Verde II and Georgia II projected disbursements are for CIF funds only.

Millennium Challenge Corporation
Administrative Expenses
Data as of September 30, 2013
(\$ in millions)

Obligations (Actual Use)			
Administrative Categories	FY 2011	FY 2012	FY 2013
Human Capital	48.4	52.7	52.2
Contracted Services	9.8	12.8	9.3
Rent, Leasehold and Improvements	7.3	9.2	9.7
Information Technology	10.0	9.6	9.2
Overseas Operations	13.7	14.3	13.8
Travel	4.6	5.0	5.1
Total¹	93.8	103.5	99.4

¹ Columns may not total correctly due to rounding.

ADMINISTRATIVE EXPENSES

Compact Development Progress Timeline (FY 2013 Q4)																						
Country	Threshold Program / 1st Compact Completion Dates	FY 2011			FY 2012				FY 2013				FY 2014				FY 2015				Potential Investment (USD Millions)	
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
El Salvador II	1st Compact completed September 2012				Analysis	Proposal & Assessment			Feasibility & Design			Board Presentation	Compact Signing	Implementation							\$277	
Ghana II	1st Compact completed February 2012	Analysis	Proposal & Assessment			Feasibility & Design				Feasibility & Design			Board Presentation	Compact Signing	Implementation							\$300 - 435*
Benin II	1st Compact completed October 2011				Analysis	Proposal & Assessment			Feasibility & Design			Feasibility & Design			Board Presentation	Compact Signing	Implementation				\$250	
Liberia	Threshold program complete (December 2013)								Analysis			Proposal & Assessment			Feasibility & Design				Board Presentation	TBD		
Morocco II	1st Compact complete (September 2013)								Analysis			Proposal & Assessment			Feasibility & Design			Board Presentation	Compact Signing	TBD		
Sierra Leone	None								Analysis			Proposal & Assessment			Feasibility & Design				Board Presentation	TBD		
Tanzania II	1st Compact complete (September 2013)								Analysis			Proposal & Assessment			Feasibility & Design				Board Presentation	TBD		
Niger	Threshold program in implementation								Analysis			Proposal & Assessment			Feasibility & Design				Board Presentation	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 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

<p>Ghana II</p> <p>Compact development focused on power system, from fuel, to generation, distribution and increasing access, with strong emphasis on mobilizing private investment, domestic and global, within the frameworks of Power Africa and Partnership for Growth</p>	<p>Benin II</p> <p>Compact concepts being developed focused on agribusiness-related infrastructure, power and rural roads, and key enabling policy reforms</p>	<p>Liberia</p> <p>Initial analysis indicates power and road infrastructure as binding constraints, with concept development proceeding in those areas, within the framework of Power Africa</p>	<p>Morocco II</p> <p>Preliminary analyses of constraints to growth, gender and social inequity, and private sector investment are underway in partnership with the African Development Bank</p>	<p>Sierra Leone*</p> <p>Analyses points to power, water and sanitation, and poor rural/secondary roads as potential growth constraints, which are exacerbated by policy/institutional ineffectiveness; concept development will narrow focus</p>	<p>Tanzania II</p> <p>Critical constraints being addressed are power and rural roads, within the frameworks of Power Africa and Partnership for Growth</p>	<p>Niger</p> <p>Concept development progressing to overcome key constraints to growth identified: access to water for agriculture and livestock; institutional and regulatory barriers to trade; and government regulation of business</p>
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* After the reporting period, in December 2013, the MCC Board decided to not reselect Benin and Sierra Leone for eligibility in FY2014 but encouraged MCC to continue limited engagement with both countries. As a result, Benin and Sierra Leone are not currently eligible to access any FY2014 funds.

Millennium Challenge Corporation
Threshold Program
Data as of September 30, 2013 (\$ in millions)

Country	Signing Date	Status	Cumulative Program Obligations by MCC ¹	Cumulative Expenditures ² by U.S. Government Agencies
<i>Approved Threshold Programs</i>				
Honduras	8/28/2013	Ongoing	15.6	0.0
Liberia	7/6/2010	Ongoing	15.1	14.4
Niger	3/17/2008	Ongoing	23.1	16.1
Timor-Leste	9/22/2010	Ongoing	10.5	6.7

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.

Millennium Challenge Corporation
 Programmatic Changes
 Data as of September 30, 2013

PROGRAMMATIC CHANGES

Country	Project	Event	Action Implemented
Lesotho	Health Project	In June 2013, the Government of Lesotho reallocated a total of \$22,315,421 among the Water Sector, Health Sector, and Private Sector Development Projects. Of these funds, \$21,854,726 was reallocated to the Health Centers Activity to reimburse the Government of Lesotho for its significant counterpart contribution. The reimbursement took place in accordance with the existing agreement between MCC and the Government of Lesotho.	The Government of Lesotho committed over \$150 million and disbursed over \$60 million as of June 2013 to avoid project de-scoping, to cover the cost of project completion post-Compact, and to ensure sustainability of MCC investments. Specifically, the Government of Lesotho has committed to complete all unfinished compact activities after the end of the compact.
Moldova	High Value Agriculture Project	The Government of Moldova requested the reallocation of \$19 million of funds not needed for the Road Rehabilitation Project to cover potential funding shortfalls in the Transition to High Value Agriculture Project.	MCC approved the reallocation.
Malawi	Compact Level	The estimated cost of compact activities increased due to inflation resulting from delays caused by the Compact's operational hold and suspension. In addition, the Government of Malawi also requested several new infrastructure sub-projects.	The Malawi Compact was rescope in July 2013, but the overall Compact amount remained the same. Reallocations included the replacement of a planned 220 kV transmission line with a 400 kV line, removal of a planned substation, and reduction in investments in remote data collection technology (SCADA). MCC also revised the Compact structure to improve fiscal control and results monitoring and reporting by elevating two Compact Activities and one Sub-Activity to the Project level. Finally, the economic model for the Compact was updated.
Mozambique	Water Supply & Sanitation (WSS)	Variation orders required on works under the WSS Project's Urban Water Supply Activity led to a cost increase of this component to the WSS Project.	MCC approved the reallocation of \$15.5 million from the Urban Drainage Activity of the same WSS Project in August 2013.



Benin II Compact

AS OF SEPTEMBER 30, 2013

COMPACT GOAL

The objective of the potential second compact in Benin is to help unlock growth potential of the country's agribusiness sector, by reducing high transaction costs, improving market information, and strengthening the regulatory environment. Agribusiness includes farming, transport, storage, processing, exporting and other agriculture-related businesses. Small farmers and women and youth are the ultimate beneficiaries. Key to unlocking growth in agriculture will be an improved business environment and better enabling infrastructure that together reduce costs of investing and operating in Benin and attract new investment and encourage expansion of existing agribusinesses. This potential investment and expansion will help Benin take greater advantage of its geographic position in serving the Nigerian market and its role as a gateway to land-locked countries to its north.

COMPACT AT A GLANCE

Eligibility Notification.....	12-15-2011
Constraints Analysis.....	08-22-2012
Eligibility Notification.....	12-19-2012
Concept Note Received.....	09-14-2012
Concept Paper Received.....	04-15-2013

<http://www.mcc.gov/documents/agreements/gsr-2013-002-1258-04-benin-ii.pdf>



COMPACT GOAL

MCC's \$480.9 million Compact with the Government of Burkina Faso (GoBF) aims to reduce poverty and stimulate economic growth through strategic investments in four projects. The projects will increase investment in land and rural productivity through improved land tenure security and land management; expand the productive use of land in order to increase the volume and value of agricultural production in project zones; enhance access to markets through investments in the road network; and increase primary school completion rates for girls.

COMPACT AT A GLANCE

		% OF TOTAL COMPACT	BUDGET (USD MILLIONS)
Compact Signed	07-14-2008	30%	Agriculture Development Project \$141.9
Entry Into Force	07-31-2009	12%	Rural Land Governance Project \$59.9
Compact End Date	07-31-2014	40%	Roads Project \$194.1
Compact Total	\$480,943,569	6%	BRIGHT II Schools Project \$28.8
Amount Committed	\$410,308,485	10%	Program Admin \$48.2
Amount Expended	\$267,848,697	2%	Monitoring and Evaluation \$7.8
Estimated Program Beneficiaries	1,181,296		
Estimated Increase in Household Income	\$151,000,000		



Burkina Faso Compact

AS OF SEPTEMBER
30, 2013



<http://www.mcc.gov/documents/agreements/qsr-2013002125904-burkina-faso.pdf>

COMPACT GOAL

MCC's five-year, \$66.2 million compact with the Government of Cape Verde was signed on February 10, 2012. The Compact focuses on two main constraints to growth: 1) inefficiencies in Cape Verde's water and sanitation sector that result in limited access, high costs, low quality, and poor systems management; and 2) inadequacies in the country's land property registration and management systems that limit the ability of households and firms to invest in their property in order to create value and increase incomes.

COMPACT AT A GLANCE		% OF TOTAL COMPACT		BUDGET (USD MILLIONS)
Compact Signed	02-10-2012	62%	Water, Sanitation, and Hygiene Project	\$41.0
Entry Into Force	11-30-2012	26%	Land Management for Investment Project	\$17.2
Compact End Date	11-30-2017	10%	Program Administration	\$6.5
Compact Total	\$66,230,000	2%	Monitoring and Evaluation	\$1.3
Amount Committed	\$3,773,035			
Amount Expended	\$2,818,641			
Estimated Program Beneficiaries	604,100			
Estimated Increase in Household Income	\$112,900,000			

<http://www.mcc.gov/documents/agreements/qsr-2013002126004-cabo-verde-ii.pdf>

COMPACT GOAL

The goal of this Compact is to reduce poverty through economic growth in Georgia. The objective of the program is to support strategic investments in general education, technical and vocational education and training, and higher education that will strengthen the quality of education in Georgia, with an emphasis on science, technology, engineering, and math ("STEM") education.

COMPACT AT A GLANCE		% OF TOTAL COMPACT		BUDGET (USD MILLIONS)
Compact Signed	07-26-2013	55%	Improving General Education Project	\$76.5
Entry Into Force	TBD	11%	Industry-led Skills and Workforce Development Project	\$16.0
Compact End Date	TBD	21%	STEM Higher Education Project	\$30.0
Compact Total	\$140,000,000	10%	Program Administration	\$14.0
Amount Committed	\$2,679,750	3%	Monitoring and Evaluation	\$3.5
Amount Expended	\$1,190,700			
Estimated Program Beneficiaries	1,600,000			

<http://www.mcc.gov/documents/agreements/qsr-2013002126204-georgia-ii.pdf>



QUARTERLY STATUS REPORT
Cabo Verde II Compact

AS OF SEPTEMBER 30, 2013



Georgia II Compact

AS OF SEPTEMBER 30, 2013



COMPACT QUARTERLY STATUS REPORTS



QUARTERLY STATUS REPORT Ghana II Compact

AS OF SEPTEMBER 30, 2013



COMPACT GOAL

MCC is working with the Government of Ghana (GoG) to define potential projects for the second compact, which will seek to address Ghana's inadequate and unreliable power supply. MCC is also collaborating with other U.S. Government agencies in the energy sector through the Partnership for Growth initiative, which is intended to create the next generation of emerging markets through better coordination of USG objectives and resources. Ghana has also been selected as one of six Power Africa countries.

COMPACT AT A GLANCE

Eligibility Notification.....	01-05-2011
Constraints Analysis.....	08-15-2011
Concept Paper Received.....	11-14-2011
Concept Paper Received.....	11-02-2012

<http://www.mcc.gov/pages/countries/program/ghana-compact-ii>



Indonesia Compact

AS OF SEPTEMBER 30, 2013



COMPACT GOAL

The MCC compact with Indonesia includes three projects. The Green Prosperity Project aims to increase productivity in rural areas by expanding access to renewable energy and improving land use practices to support low carbon economic development, protection of natural capital, and increased household incomes. The Community-Based Health and Nutrition to Reduce Stunting Project intends to reduce and prevent low birth weight, childhood stunting and malnourishment, and increase household income through cost savings, productivity growth and higher lifetime earnings. Finally, the Procurement Modernization project aims to achieve significant government expenditure savings on procured goods and services, while assuring their quality satisfies the public need, and to achieve the delivery of public services as planned.

COMPACT AT A GLANCE		% OF TOTAL COMPACT	BUDGET (USD MILLIONS)	
Compact Signed	11-19-2011	55%	Green Prosperity Project	\$332.5
Entry Into Force	04-02-2013	22%	Community-Based Health and Nutrition to Reduce Stunting Project	\$131.5
Compact End Date	04-02-2018		Procurement Modernization Project	\$50.0
Compact Total	\$600,000,000	8%	Monitoring and Evaluation	\$10.2
Amount Committed	\$30,734,033	2%	Program Administration and Control	\$75.8
Amount Expended	\$26,640,262	13%		
Estimated Program Beneficiaries				
Estimated Increase in Household Income				

<http://www.mcc.gov/documents/agreements/qsr-2013002126404-indonesia.pdf>

COMPACT GOAL

Jordan is one of the most water scarce countries in the world, and severe water shortages constrain economic opportunities and impact daily life. The Compact will invest up to \$275.1 million to increase income and reduce poverty in Zarqa Governorate through increases in the supply of water available to households and businesses and through improvements in the efficiency of water delivery, the extension of wastewater collection and the expansion of wastewater treatment.

COMPACT AT A GLANCE		% OF TOTAL COMPACT	BUDGET (USD MILLIONS)	
Compact Signed	10-25-2010	37%	Water Network Project	\$102.5
Entry Into Force	12-13-2011	20%	Wastewater Network Project	\$54.2
Compact End Date	12-13-2016	36%	As-Samra Expansion Project	\$98.7
Compact Total	\$275,100,000	1%	Monitoring and Evaluation	\$2.8
Amount Committed	\$181,901,039	6%	Program Administration and Control	\$16.7
Amount Expended	\$56,787,306			
Estimated Program Beneficiaries	3,000,000			
Estimated Increase in Household Income	\$800,300,000			

<http://www.mcc.gov/documents/agreements/qsr-2013002126504-jordan.pdf>

 **Jordan Compact**
AS OF SEPTEMBER 30, 2013



COMPACT GOAL

The five-year \$362.6 million Lesotho Compact is designed to: 1) Increase the availability of water for households and industrial use; 2) Test watershed management and conservation methods; 3) Rehabilitate health infrastructure and strengthen health systems; and 4) Remove barriers to foreign and local private sector investment.

COMPACT AT A GLANCE		% OF TOTAL COMPACT	BUDGET (USD MILLIONS)	
Compact Signed	07-23-2007	43%	Water Project	\$155.1
Entry Into Force	09-17-2008	38%	Health Project	\$138.5
Compact End Date	09-17-2013	7%	Private Sector Development Project	\$25.2
Compact Total	\$362,551,000	10%	Program Administration	\$35.8
Amount Committed	\$355,324,180	2%	Monitoring and Evaluation	\$7.8
Amount Expended	\$324,360,611			
Estimated Program Beneficiaries	1,041,422			
Estimated Increase in Household Income	\$376,000,000			

<http://www.mcc.gov/documents/agreements/qsr-2013002126604-lesotho.pdf>

 **Lesotho Compact**
AS OF SEPTEMBER 30, 2013



COMPACT GOAL

The Compact aims to revitalize Malawi's power sector by upgrading electricity infrastructure and improving the performance of key institutions responsible for the electrical power sector. The program is intended to reduce outages and system losses, improve efficiency of hydropower generation, improve service delivery to electricity consumers, and create an enabling environment for private sector investment and expansion of electrification. The Compact is expected to reduce energy costs to enterprises and households and enhance productivity and employment opportunities in key economic sectors.

COMPACT AT A GLANCE		% OF TOTAL COMPACT	BUDGET (USD MILLIONS)	
Compact Signed	04-07-2011	73%	Infrastructure Development Project	\$257.1
Entry Into Force	09-20-2013	7%	Power Sector Reform Project	\$24.2
Compact End Date	09-20-2018	8%	Environmental and Natural Resource Management Project	\$27.8
Compact Total	\$350,700,000		Program Administration	\$34.6
Amount Committed	\$2,762,813	10%	Monitoring and Evaluation	\$7.0
Amount Expended	\$1,706,798	2%		
Estimated Program Beneficiaries	983,000			
Estimated Increase in Household Income	\$567,200,000			

<http://www.mcc.gov/documents/agreements/qsr-2013002126704-malawi.pdf>

COMPACT GOAL

The compact aims to reduce poverty and accelerate economic growth by enabling improved agricultural productivity and expanding access to markets and services through critical infrastructure investments in the irrigation and road sectors, and capacity building in the high value agriculture sector.

COMPACT AT A GLANCE		% OF TOTAL COMPACT	BUDGET (USD MILLIONS)	
Compact Signed	01-22-2010	39%	Transition to High Value Agriculture	\$101.7
Entry Into Force	09-01-2010	51%	Road Rehabilitation	\$132.8
Compact End Date	09-01-2015	1%	Monitoring And Evaluation	\$3.5
Compact Total	\$262,000,000	9%	Program Administration And Control	\$23.8
Amount Committed	\$147,905,728			
Amount Expended	\$60,977,075			
Estimated Program Beneficiaries	414,000			
Estimated Increase in Household Income	\$260,000,000			

<http://www.mcc.gov/documents/agreements/qsr-2013002126904-moldova.pdf>



Malawi Compact

AS OF SEPTEMBER 30, 2013



Moldova Compact

AS OF SEPTEMBER 30, 2013



COMPACT GOAL

The Mongolia Compact directs strategic investments to increase economic activity through secure and registered land titles in urban areas, sustainable utilization and management of rangelands in peri-urban areas, and improved vocational and technical training. The Compact also makes investments to help the Mongolian people become healthier and more productive as they enter the marketplace, to improve urban air quality by increasing the adoption of energy efficient products and homes in the ger districts of Ulaanbaatar and support the development of renewable energy, and to improve the road in the critical north-south economic corridor that stretches from Russia to China through Mongolia.

COMPACT AT A GLANCE		% OF TOTAL COMPACT	BUDGET (USD MILLIONS)	
Compact Signed	10-22-2007	10%	Property Rights	\$28.9
Entry Into Force	09-17-2008	15%	Health Project	\$42.0
Compact End Date	09-17-2013	18%	Vocational Education	\$50.2
Compact Total	\$284,911,363	15%	Energy and Environment	\$41.5
Amount Committed	\$274,217,841	30%	North-South Road Project	\$84.7
Amount Expended	\$257,012,316	10%	Program Administration	\$29.3
Estimated Program Beneficiaries	2,057,532	3%	Monitoring and Evaluation	\$7.7
Estimated Increase in Household Income	\$328,352,000			

<http://www.mcc.gov/documents/agreements/qsr-2013002127004-mongolia.pdf>

COMPACT GOAL

The five-year, \$697.5 million compact with the Kingdom of Morocco seeks to reduce poverty and stimulate economic growth through investments in five projects. These strategic investments will increase productivity and improve employment in high growth potential sectors such as fruit tree productivity, small-scale fisheries, and artisan crafts. Small business creation and economic growth will also be complemented by investments in financial services and enterprise support.

COMPACT AT A GLANCE		% OF TOTAL COMPACT	BUDGET (USD MILLIONS)	
Compact Signed	08-31-2007	49%	Fruit Tree Productivity Project	\$339.9
Entry Into Force	09-15-2008	18%	Small-Scale Fisheries Project	\$122.2
Compact End Date	09-15-2013	14%	Artisan and Fez Medina Project	\$96.0
Compact Total	\$697,500,000	6%	Financial Services Project	\$44.1
Amount Committed	\$687,789,263	9%	Program Administration	\$64.0
Amount Expended	\$577,337,812	2%	Monitoring and Evaluation	\$15.5
Estimated Program Beneficiaries	823,233	2%	Enterprise Support Project	\$15.1
Estimated Increase in Household Income	\$860,408,732			

<http://www.mcc.gov/documents/agreements/qsr-2013002127103-morocco.pdf>



Mongolia Compact

AS OF SEPTEMBER 30, 2013



Morocco Compact

AS OF SEPTEMBER 30, 2013





Morocco II Compact

AS OF SEPTEMBER 30, 2013



COMPACT GOAL

Based on the successful joint compact completion between MCC and the Government of Morocco (GoM) in September 2013, Morocco was selected as eligible to develop a subsequent compact, passing 11 of 20 indicators. The GoM reacted in a relatively peaceful and responsive manner to the Arab Spring and its wake, including by expanding democratic rights through the adoption of new powers for the prime minister and the parliament. The subsequent Morocco compact is still in the early stages of development

COMPACT AT A GLANCE

Eligibility Notification..... 12-19-2012
 Constraints Analysis..... 09-13-2011

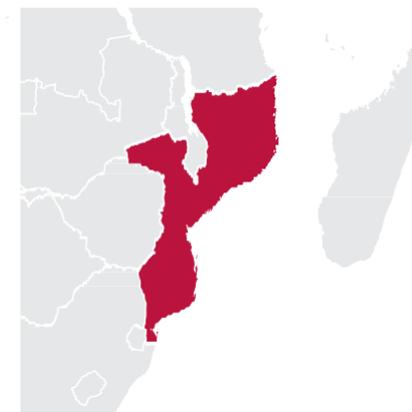
COMPACT GOAL

The \$506.9 million Compact seeks to increase productive capacity, income generation, and poverty reduction in Mozambique's Northern provinces by improving rural and urban water and sanitation, roads, land administration, and agriculture. It also addresses key policy reforms and capacity building initiatives. The program focuses on the economically lagging northern provinces, home to half of the country's population.



Mozambique Compact

AS OF SEPTEMBER 30, 2013



COMPACT AT A GLANCE

		% OF TOTAL COMPACT	BUDGET (USD MILLIONS)
Compact Signed	07-13-2007	41%	Water Supply and Sanitation Project \$207.3
Entry Into Force	09-22-2008	35%	Rehabilitation and Construction of Roads Project \$176.3
Compact End Date	09-22-2013		
Compact Total	\$506,924,053	8%	Land Tenure Project \$40.0
Amount Committed	\$437,169,879	4%	Farmer Income Support Project \$19.2
Amount Expended	\$395,317,158	2%	Monitoring And Evaluation \$8.2
Estimated Program Beneficiaries	3,325,327	11%	Program Administration And Control \$55.7
Estimated Increase in Household Income	\$542,300,000		

<http://www.mcc.gov/documents/agreements/qsr-2013002127204-mozambique.pdf>

COMPACT GOAL

The Compact goal is to increase the competence of the Namibian workforce through knowledge and skills, as well as to increase the productivity of agricultural and nonagricultural enterprises in rural areas.

COMPACT AT A GLANCE		% OF TOTAL COMPACT	BUDGET (USD MILLIONS)	
Compact Signed	07-28-2008	46%	Education Project	\$141.5
Entry Into Force	09-16-2009	23%	Tourism Project	\$68.5
Compact End Date	09-16-2014	17%	Agriculture Project	\$51.4
Compact Total	\$304,500,000	12%	Program Administration	\$36.0
Amount Committed	\$281,980,704	2%	Monitoring and Evaluation	\$6.8
Amount Expended	\$186,647,274			
Estimated Program Beneficiaries	1,063,413			
Estimated Increase in Household Income	\$240,500,000			

<http://www.mcc.gov/documents/agreements/qsr-2013002127304-namibia.pdf>



Namibia Compact

AS OF SEPTEMBER 30, 2013



COMPACT GOAL

The Compact intends to support: (i) reforms and investments to modernize the Bureau of Internal Revenue to increase fiscal space for public investment and to reduce opportunities for corruption in tax administration; (ii) expansion and enhancement of a community-driven development project, Kalahi-CIDSS; and (iii) rehabilitation of a secondary national road connecting the provinces of Samar and Eastern Samar.

COMPACT AT A GLANCE		% OF TOTAL COMPACT	BUDGET (USD MILLIONS)	
Compact Signed	09-23-2010	28%	Kalahi-CIDSS Community Development Project	\$120.0
Entry Into Force	05-25-2011			
Compact End Date	05-25-2016	49%	Secondary National Roads Development Project	\$214.4
Compact Total	\$433,910,000			
Amount Committed	\$308,947,243	13%	Revenue Administration Reform Project	\$54.3
Amount Expended	\$110,903,918	2%	Monitoring and Evaluation	\$8.2
Estimated Program Beneficiaries	125,822,000	9%	Program Administration & Control	\$36.9
Estimated Increase in Household Income	\$649,300,000			

<http://www.mcc.gov/documents/agreements/qsr-2013002127404-philippines.pdf>



Philippines Compact

AS OF SEPTEMBER 30, 2013



COMPACT GOAL

Senegal's \$540 million MCC Compact aims to reduce poverty and increase economic growth by unlocking the country's agricultural productivity and expanding access to markets and services through improvements to critical infrastructure in the Senegal River Valley (northern Senegal) and the Casamance region (southern Senegal). MCC's investments are consistent with the Government of Senegal's national poverty reduction strategy, food security and road sector master plans.

COMPACT AT A GLANCE		% OF TOTAL COMPACT	BUDGET (USD MILLIONS)	
Compact Signed	09-16-2009	60%	Roads Rehabilitation Project	\$324.7
Entry Into Force	09-23-2010	31%	Irrigation & Water Resources Management Project	\$170.0
Compact End Date	09-23-2015		Monitoring and Evaluation	\$3.7
Compact Total	\$540,000,000	1%	Program Administration and Audit	\$41.5
Amount Committed	\$456,158,609	8%		
Amount Expended	\$85,638,370			
Estimated Program Beneficiaries	1,660,000			
Estimated Increase in Household Income	\$625,000,000			

<http://www.mcc.gov/documents/agreements/qsr-2013002127504-senegal.pdf>



Senegal Compact

AS OF SEPTEMBER 30, 2013



COMPACT GOAL

The five-year, \$698 million compact will stimulate economic growth, increase household incomes, and raise the quality of life in program areas through targeted infrastructure investments in transportation, energy and water.

COMPACT AT A GLANCE		% OF TOTAL COMPACT	BUDGET (USD MILLIONS)	
Compact Signed	02-17-2008	57%	Transport Sector Project	\$396.1
Entry Into Force	09-17-2008	29%	Energy Sector Project	\$202.0
Compact End Date	09-17-2013	9%	Water Sector Project	\$60.5
Compact Total	\$698,136,000	4%	Program Administration And Control	\$31.1
Amount Committed	\$690,497,020	1%	Monitoring And Evaluation	\$8.2
Amount Expended	\$620,054,114			
Estimated Program Beneficiaries	5,425,013			
Estimated Increase in Household Income	\$1,336,000,000			

<http://www.mcc.gov/documents/agreements/qsr-2013002127604-tanzania.pdf>



Tanzania Compact

AS OF SEPTEMBER 30, 2013



COMPACT GOAL

In FY2012, Tanzania completed an economic constraints analysis under the Partnership for Growth (PFG) initiative, which highlighted several constraints to growth including limited access to affordable, reliable electricity and limited market access in key agricultural regions. In the coming months, the MCC team and its GoT counterparts will begin initial due diligence to air development and design.

COMPACT AT A GLANCE

Eligibility Notification.....	12-19-2012
Constraints Analysis.....	09-13-2011

COMPACT GOAL

This Compact aims to expand and improve the reliability of water supply, sanitation, and drainage services in select urban and peri-urban areas of the capital city of Lusaka with the objective of decreasing the incidence of water-related diseases, generating time savings for households and businesses, and reducing non-revenue water in the water supply network.

COMPACT AT A GLANCE

Constraints Analysis.....	11-23-2009
Concept Paper Received.....	02-26-2010
CN on Intent to Negotiate.....	01-12-2012
Board Approval.....	03-22-2012
Compact Signed	05-10-2012

<http://www.mcc.gov/documents/agreements/qsr-2013002127704-zambia.pdf>



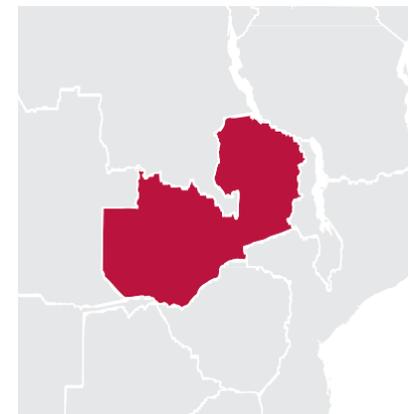
Tanzania II Compact

AS OF SEPTEMBER 30, 2013



Zambia Compact

AS OF SEPTEMBER 30, 2013





Millennium Challenge Corporation
Report of Approved Subsequent Compacts
Data as of December 31, 2013

With reference to H.R. Report 113–185, MCC submits the following report on all second compacts approved to date, including information on the level of matching contribution provided by the country as part of the compact agreement and the status of country support and continuation of first compact projects funded by MCC.

Cabo Verde

COUNTRY MATCHING CONTRIBUTION

The Government of Cabo Verde is required to provide a contribution of 15 percent, or \$9.5 million, of the \$66.2 million committed by MCC, for a combined total of \$75.7 million.

STATUS OF COUNTRY COMMITMENT

In accordance with the MCC guidelines, the Government of Cabo Verde must submit periodic country contributions reports to MCC consistent with its audit schedule. The first Compact audit period will end March 31, 2014, and the country contributions reports are due regularly thereafter.

CONTINUATION OF FIRST COMPACT PROJECTS FUNDED BY MCC

In July 2005, MCC signed Cabo Verde's first five-year, \$110 million compact, which strengthened the country's investment climate and reformed the financial sector, improved infrastructure to support increased economic activity, and provided access to markets, employment, and social services. Upon completion in October 2010, the compact had helped increase agricultural productivity, improve vital roads, bridges, and port infrastructure, achieve key policy reforms, and create an improved foundation for long-term growth. Since compact closure, Cabo Verde has secured an additional \$111.3 million to complete a second phase of port infrastructure works and two roads that could not be completed with Compact funds. The second Compact focuses primarily on policy reforms and builds on the lessons learned from the first Compact and continues to invest in sectors that will loosen the constraints to economic growth and help mobilize private sector investment.

El Salvador

COUNTRY MATCHING CONTRIBUTION

The Government of El Salvador has committed to contribute \$88.2 million on top of MCC's investment, for a planned combined total of \$365.2 million.

STATUS OF COUNTRY COMMITMENT

Although approved, MCC and El Salvador have not signed a subsequent compact by December 31, 2013.

CONTINUATION OF FIRST COMPACT PROJECTS FUNDED BY MCC

On September 18, 2013, MCC's Board of Directors approved a subsequent five-year, \$277 million compact with El Salvador to improve its competitiveness and productivity in international markets, and was briefed on MCC's latest efforts in open data and transparency. In 2012, MCC and El Salvador successfully completed a \$461 million compact to strengthen the transportation and agricultural sectors and improve the education system in the country's Northern Zone. As a result, El Salvador has strengthened its transportation sector, reinforced the agricultural sector, and taken strides toward improving its education system. El Salvador's road maintenance agency, FOVIAL, has committed to maintain the Northern Transnational Highway and has followed through on this commitment. In addition, the Ministry of Education has taken over the educational facilities that were built or rehabilitated during the first compact, and enrollment is strong.

Georgia

COUNTRY MATCHING CONTRIBUTION

The Government of Georgia is providing a contribution of 15 percent, or \$21 million, of MCC's \$140 million investment, for a combined total of \$161 million.

STATUS OF COUNTRY COMMITMENT

Although Georgia's subsequent compact has been signed, it has not entered into force as of December 31, 2013. During the first year of implementation, the Government of Georgia will disburse \$3,427,550 of its own funds towards meeting the compact objectives.

CONTINUATION OF FIRST COMPACT PROJECTS FUNDED BY MCC

In April 2011, Georgia successfully completed its first five-year, \$395.3 million compact. Since then, Georgia has committed to maintaining completed activities from the two projects of that compact: the Regional Infrastructure Rehabilitation Project, and the Enterprise Development Project. The Government of Georgia entity that assumed control of the Energy Rehabilitation Activity, Georgian Oil and Gas Company, is responsibly operating and maintaining repaired pipeline sites and has adopted MCC environmental, health and safety standards in new repair/construction projects funded by the Government of Georgia and other donors. Moreover, the Government of Georgia has made investing in agriculture a government priority over the coming year, which may contribute to sustaining project outcomes in Agribusiness Development. Georgia's second compact is intended to increase the quality of human capital by investing in science and technology education and workforce development.