



**MILLENNIUM**  
CHALLENGE CORPORATION  
UNITED STATES OF AMERICA



QUARTERLY STATUS REPORT  
**Georgia Compact**  
AS OF MARCH 2011

**COMPACT GOAL**

MCC's compact with Georgia includes \$395.3 million of strategic investments designed to rehabilitate key regional infrastructure, stimulate regional trade by improving transportation, ensure a reliable energy supply, improve the delivery of regional and municipal services, and develop regional enterprises by providing investment capital and by increasing productivity in farms. The Compact closed April 7, 2011. MCC is working with MCG to ensure an orderly windup of the program. MCC will issue a final status report after the closure period is complete.



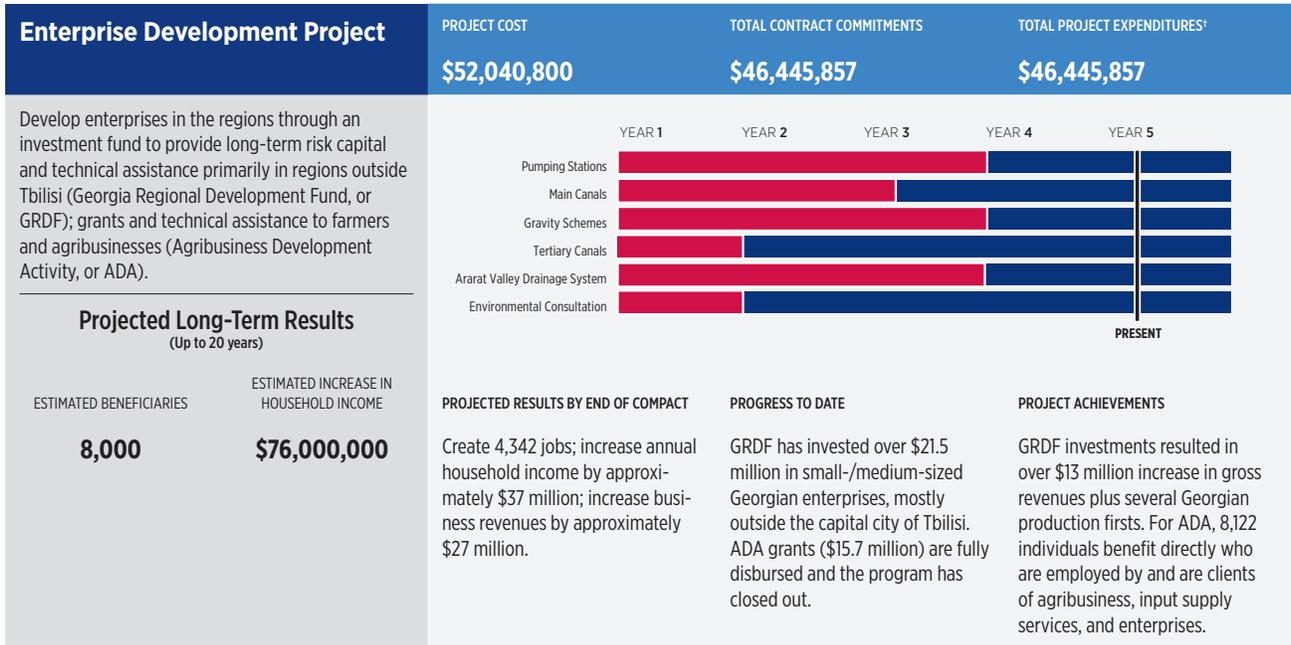
**COMPACT AT A GLANCE**

Compact Signed	<b>09-12-2005</b>
Entry Into Force	<b>04-07-2006</b>
Completed	<b>04-07-2011</b>
Compact Total	<b>\$395,300,000</b>
Amount Committed	<b>\$378,798,853</b>
Amount Expended	<b>\$375,369,926</b>
Estimated Program Beneficiaries	<b>143,000</b>
Estimated Increase in Household Income	<b>\$277,000,000</b>

% OF TOTAL COMPACT	BUDGET (USD MILLIONS)
<b>79%</b> Regional Infra. Rehabilitation Project	<b>\$314.2</b>
<b>13%</b> Enterprise Development Project	<b>\$52.0</b>

■ Project Preparation ■ Project Implementation

Regional Infrastructure Rehabilitation Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>1</sup>																																										
	<b>\$314,240,000</b>	<b>\$307,050,033</b>	<b>\$295,889,086</b>																																										
Rehabilitation of key regional infrastructure through rehabilitation/construction of 220 km of main road in Samtskhe-Javakheti region, with links to both Armenia and Turkey; rehabilitation of the North/South Gas Pipeline; and rehabilitation of municipal water/wastewater infrastructure in regions outside Tbilisi.	<table border="1"> <thead> <tr> <th></th> <th>YEAR 1</th> <th>YEAR 2</th> <th>YEAR 3</th> <th>YEAR 4</th> <th>YEAR 5</th> </tr> </thead> <tbody> <tr> <td>Pumping Stations</td> <td colspan="4" style="background-color: red;"></td> <td style="background-color: blue;"></td> </tr> <tr> <td>Main Canals</td> <td colspan="3" style="background-color: red;"></td> <td style="background-color: blue;"></td> <td style="background-color: blue;"></td> </tr> <tr> <td>Gravity Schemes</td> <td colspan="4" style="background-color: red;"></td> <td style="background-color: blue;"></td> </tr> <tr> <td>Tertiary Canals</td> <td style="background-color: red;"></td> <td colspan="4" style="background-color: blue;"></td> </tr> <tr> <td>Ararat Valley Drainage System</td> <td colspan="3" style="background-color: red;"></td> <td style="background-color: blue;"></td> <td style="background-color: blue;"></td> </tr> <tr> <td>Environmental Consultation</td> <td style="background-color: red;"></td> <td colspan="4" style="background-color: blue;"></td> </tr> </tbody> </table> <p style="text-align: right;">PRESENT</p>				YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Pumping Stations						Main Canals						Gravity Schemes						Tertiary Canals						Ararat Valley Drainage System						Environmental Consultation					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5																																								
Pumping Stations																																													
Main Canals																																													
Gravity Schemes																																													
Tertiary Canals																																													
Ararat Valley Drainage System																																													
Environmental Consultation																																													
<p><b>Projected Long-Term Results</b> (Up to 20 years)</p> <table border="1"> <tr> <td>ESTIMATED BENEFICIARIES</td> <td>ESTIMATED INCREASE IN HOUSEHOLD INCOME</td> </tr> <tr> <td style="text-align: center;"><b>300,000</b></td> <td style="text-align: center;"><b>\$216,000,000</b></td> </tr> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	<b>300,000</b>	<b>\$216,000,000</b>	<p><b>PROJECTED RESULTS BY END OF COMPACT</b></p> <p>Rehabilitate/construct 220 km main road through Samtskhe-Javakheti region and reduce poverty rate there from 55.9% to 50%; enhance agricultural/trade opportunities and improved access to education, healthcare and employment.</p>	<p><b>PROGRESS TO DATE</b></p> <p>Road construction is complete. Energy Project rehabilitation of 22 sites on main gas line is complete. MCG water supply rehabilitation projects are completed in 4 of 5 towns, but projects co-financed by other donors will continue after Compact.</p>	<p><b>PROJECT ACHIEVEMENTS</b></p> <p>Reduced travel time on the road, which represents significant savings to local farmers, from eight or more hours to two hours, 45 minutes. Completion of gas pipeline repairs has improved security of Georgia's gas supply. Improved water supply in Poti.</p>																																						
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME																																												
<b>300,000</b>	<b>\$216,000,000</b>																																												



In November 2008, MCC and the Government of Georgia signed the First Amendment to the Compact, which provided an additional \$100 million in Compact funding to expand existing activities under the Compact.

2010-002-0306-04