



Compact Goal

MCC signed a 5-year Millennium Challenge Compact with the Republic of Armenia in March 2006, which entered into force in September 2006. The compact is designed to reduce rural poverty through a sustainable increase in the economic performance of the agricultural sector through a program of strategic investments in rural roads and irrigated agriculture. The program is being administered by MCA-Armenia (www.mca.am), a state, non-commercial entity established by the Government of Armenia. A stakeholders' committee allows for participation from Armenian civil society.

Update on Progress

Rural Roads Rehabilitation Project

- The Armenian government will rehabilitate 943 km of rural roads, which, when complete, will help ensure that rural communities have access to markets, services, and the main road network.
- Construction on a 24.5 kilometer road segment in the Gyumri region began on October 29, 2007. Procurement is proceeding on contracts for maintenance, design and feasibility, construction, and construction supervision.

Irrigated Agriculture Project: Infrastructure Activity

- MCA-Armenia is finalizing the procurement for the design and supervision of 18 irrigation schemes throughout Armenia.
- In February 2007, MCA-Armenia signed an agreement with the Irrigation Project Implementation Unit to oversee implementation of the civil works of the Irrigated Agriculture Project.
- To date, MCA-Armenia has signed several contracts for design and feasibility studies of canals, reservoirs, and environmental oversight.

Irrigated Agriculture Project: Water-to-Market Activity

- MCA-Armenia and ACDI/VOCA signed a \$18.5 million contract for ACDI/VOCA to manage the Water-to-Market Activity.
- The random selection of the timing to determine when communities would receive training under the Water-to-Market Activity took place in a public forum in August 2007. The event included representatives from the MCA-Armenia stakeholders' committee, water users' associations and Armenian government officials.
- In October 2007, an agreement was signed between MCA-Armenia and the Rural Finance Facility Project Implementation Unit, which will facilitate the implementation and monitoring of the credit component of the MCA-Armenia Water-to-Market activity.

Compact Status

Status.....Implementation, Year 2

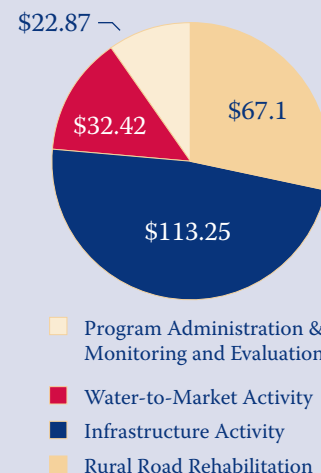
Compact Information

Total Amount..... \$235.65 million
Duration5 years
Compact Signed 3-27-2006

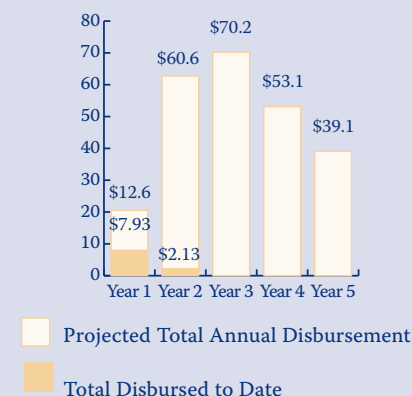
Country Information

Population 3,016,312
GNI Per Capita.....\$1,930*

Obligations by Key Sector
in millions



Disbursement Schedule
in millions



*World Development Indicators, World Bank, 2005



Compact Goal

The Benin Compact removes key constraints to economic growth and supports improvements in physical and institutional infrastructures in four critical sectors in order to increase investment and private sector activity in Benin. The Compact comprises four projects: Access to Land, Access to Financial Services, Access to Justice, and Access to Markets.

Update on Progress

On November 3, MCA-Benin hosted a general assembly of organizations representing farmers, civil society groups, unions, and artisans. The groups elected representatives from these groups to serve on the Advisory Council and on the Consultative Committee. Nine new representatives were elected – two representing artisans, two representing farmers, two representing unions, and three representing civil society.

The Beninese National Assembly devoted a day to the Compact and other USG assistance programs. Honored guest Ambassador Gayleatha B. Brown presented a summary of how the USG supports development in Benin. National Coordinator Simon Pierre Adovelande responded to the intense interest of the representatives with a detailed explanation of the Compact objectives. In an important step forward for the Compact, the host, Assembly President Mathurin Nago, outlined the importance of the National Assembly's role in developing new legislation to support access to land in rural and urban areas, an essential part of the Compact program.

Access to Markets Project

The Port of Cotonou passed an inspection conducted by the United States Coast Guard to determine compliance with the minimum requirements of the International Ship and Port Security Facility (ISPS) Code. Security at the Port remains problematic but significant improvements were accomplished in August. Compliance with the ISPS Code is an important milestone in the Access to Markets Project.

Access to Land Project

From October 8-17, the Access to Land Project conducted a national information campaign through ten of the twelve

departments (regional districts) of Benin. Accompanied by representatives of national and local government offices, farmers, and civil society groups, the Land Project directors held information sessions, reaching over 400 people, to inform local elected officials, civil society organizations, and local administrative offices on the Land Project's activities and the role that local institutions play in its success. Local institutions play a key role in providing information to ongoing national studies, and in communicating the benefits of formalized property rights to the population.

The activity for the expansion of formal land rights in rural areas has been launched. Through this activity, the Access to Land Project will produce rural land plans for 300 villages.

Access to Financial Services Project

MCA-Benin signed a partnership agreement with the Interbank Monetary Group of the West African Economic and Monetary Union (Groupement Interbancaire Monétique de l'Union Economique et Monétaire Ouest Africaine, or GIM-UEMOA). GIM-UEMOA will work with MCA-Benin to oversee a study on the feasibility of introducing various technological solutions to improve the supply of financial services to small, medium, and micro enterprises. GIM-UEMOA is the regional institution charged with defining the regulatory and security framework for the use of electronic banking.

The National Policy for Microfinance has been finalized and is expected to be submitted to the Council of Ministers for adoption. Adoption of this policy is an important milestone for the Access to Financial Services Project.

Access to Justice Project

MCA-Benin signed a Partnership Agreement with the Ministry of Justice. Through this agreement, MCA-Benin will help strengthen the capacity of the Inspection General office by providing training courses and materials. As the information needs of this office have been identified in a recent study, MCA-Benin will work with the Ministry to provide up-to-date and relevant documents and legal reference materials.

Compact Status

Status..... Implementation, Year 1

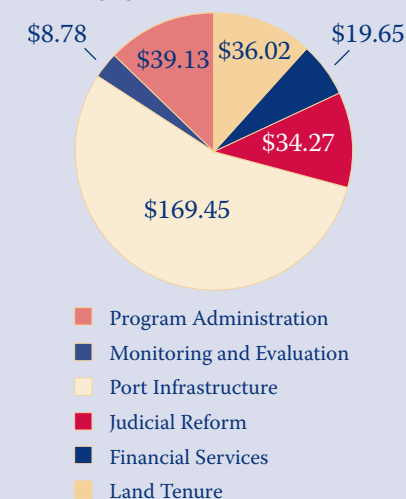
Compact Information

Total Amount.....\$307.3 million
Duration5 years
Compact Signed 2-22-2006
Entry in to Force.....10-06-2006

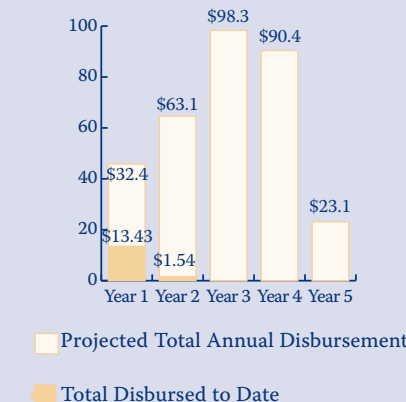
Country Information

Population8,177,208*
GNI Per Capita..... \$510*

Obligations by Key Sector
in millions



Disbursement Schedule
in millions



*World Development Indicators, World Bank, 2005



Proposed Goal

The proposal concentrates on the Northern region of Bolivia in the departments of La Paz, Beni and Pando, and comprises large infrastructure projects to improve major and rural roads, and a smaller project focused on rural productive development.

The main objectives of the proposal are to: 1) increase integration of a region historically isolated from the rest of the country; 2) reduce transportation time/costs while improving road infrastructure to foster greater national and regional interconnectivity; and 3) diversify the Bolivian economy from its reliance on natural gas and mineral resources.

Update on Progress

- The Bolivian Ambassador Gustavo Guzmán made a formal submission of the Bolivian proposal on September 21, 2007. The proposal is being reviewed by the MCC Bolivia Transaction Team.

Compact Status

Status..... Proposal Received

Compact Information

Proposed Amount.....\$657 million

Compact Process

Stage	Completed
<input checked="" type="checkbox"/> Eligibility Notification	05-06-2004
<input checked="" type="checkbox"/> First Proposal Receipt	12-01-2005
<input checked="" type="checkbox"/> Second Proposal Receipt	09-21-2007
Opportunity Memo	
Congressional Notification on Compact Negotiations	
Investment Memo	
Board Approval	
Compact Signing	
Entry Into Force	
Initial Disbursement	

Country Information

Population 9,182,015 *
GNI Per Capita.....\$1,010*

*World Development Indicators, World Bank, 2005



Proposed Goal

Burkina Faso's proposed Program is expected to promote economic growth in the rural sector by (i) fostering land tenure security by strengthening the land planning regime, implementing a mediation and conflict resolution mechanism, and formalizing access to land rights; (ii) investing in irrigation and watershed management infrastructure and improving existing agro-industrial supply chains; (iii) constructing national roads and feeder roads. In addition, MCC and the U.S. Agency for International Development are currently in discussions with the government of Burkina Faso to facilitate the extension of the successful MCC Threshold program focused on girls' primary education.

Update on Progress

- Since November 2006, MCC staff and consultants have been reviewing technical documents and frequently traveling to Burkina Faso to assess the feasibility of the investments proposed by the MCA-Burkina compact development team (MCA-Burkina).
- In March, Ambassador Danilovich traveled to Burkina Faso in early March to visit a girl-friendly school built under the Threshold Program and to review compact development progress.
- Since May, MCC has been working with MCA-Burkina on administrative, legal, financial, and management planning for work required in connection with establishing the accountable entity, and to prepare a memorandum to the MCC Investment Committee to request 609(g) funding to support the establishment of the accountable entity. MCA-Burkina is engaged in recruiting key staff members of the team that will implement the Compact, once signed.
- In June, the MCC Investment Committee approved the transaction team's request for 609(g) funding to support the establishment of the accountable entity, to fund the first year's fees for the Fiscal Agent and Procurement Agent, to secure stakeholder participation in the preparation of a new land law and code, to complete final design and environmental assessment work for the roads project, and to collect baseline data for monitoring and evaluation activities. Procurement Negotiations of the agreements with of the Procurement and Fiscal Agents is underway, and will be completed by the end of December/November. MCA-Burkina has nearly completed its selection of key staff for the implementation of the projects, and MCC is providing guidance to MCA-Burkina on the evaluation and selection processes.
- In November, MCC and the Government of Burkina Faso signed the 609(g) grant funding agreement to facilitate compact development and implementation. with expected disbursements of the 609(g) grant are expected to begin in early 2008. The transaction team and MCA-Burkina are working concurrently to refine the terms of the 609(g) funding agreement, and on continued due diligence of the project components and on preparation for implementation and management of the Compact. MCC staff and consultants continue to visit Burkina Faso regularly to examine details of the proposed investments.

Compact Status

Status..... Eligible, Fiscal Year 2006

Compact Information

Proposed Amount..... \$540 million

Country Information

Population 12,821,686*

GNI Per Capita..... \$400*

Compact Process

Stage	Completed
<input checked="" type="checkbox"/> Eligibility Notification	11-08-2005
<input checked="" type="checkbox"/> Proposal Receipt	10-24-2006
<input checked="" type="checkbox"/> Opportunity Memo	11-09-2006
Congressional Notification on Compact Negotiations	
Investment Memo	
Board Approval	
Compact Signing	
Entry Into Force	
Initial Disbursement	

*World Development Indicators, World Bank, 2005



Compact Description

MCC signed a 5-year Compact with the Government of Cape Verde on July 4, 2005, with the Compact entering into force in October 2005. The Compact supports Cape Verde in achieving its overall national development goal of transforming its economy from aid-dependency to sustainable, private-sector led growth. MCC funds are being used to improve the country’s investment climate and reform the financial sector; improve infrastructure to support increased economic activity and provide access to markets, employment, and social services; increase agricultural productivity and raise the income of the rural population as well as carry out key policy reforms needed for sustained economic growth.

Update on Progress

- MCC, MCA and the Government of Cape Verde have completed the 2nd Annual Review of Compact implementation and are preparing revised detailed project implementation schedules.
- Progress is being made on the Port of Praia project, with Phase 1 surveys completed and a consultant for Phase 2 studies selected. A Port Options report presenting results of Phase 1 studies was presented in August. The revised Port detailed project implementation schedule will take into consideration results of the 2nd Annual Review.
- Local teams from the Ministry of Agriculture are implementing Community Based Water Management Plans in all three interventions areas.
- The International Finance Corporation (IFC) is working with MCA on the four phased Partnership to Mobilize Investments (PMI) project which focuses on key sectors identified in a Phase I survey. Consultants have been contracted to develop plans and design deliverables in the areas of SME market access, tourism circuits, tourism linkages and public sector capacity building. Final selection of activities by a Government of Cape Verde committee, and which follow established Investment Guidelines, will lead to implementation of the action plans by Phase IV.
- The Compact is supporting a new system of public budget management and financial accountability by strengthening capacity for transparency in public finance for the entire government,
- Achievements have been made in government e-readiness; reductions in time to start a business; improved transparency in government operations; completion of monitoring & evaluation (M&E) baseline surveys and poverty profile surveys; public outreach and awareness campaigns on environmental issues and technical assistance (TA) in private sector investment.
- The Compact supports development that protects the environment and citizens’ rights. MCA has held environment-related public awareness sessions, concluded baseline water studies, environmental impact assessments and environmental and social monitoring plans, and is completing water resource monitoring plans. Following resettlement action plans, MCA is negotiating compensation for land-owners and users along the roads planned for construction.
- The Compact supports HIV/AIDS prevention. All construction contractors are required to prepare awareness campaigns targeted to construction personnel and beneficiaries living along the roads and bridges being built on two islands. The initiative has been publicly praised as a “Best Practice” and a “Source of Inspiration” as well as a “funding window for HIV/AIDS projects” by the Executive Secretary of HIV/AIDS Commission in Cape Verde.

Compact Status

Status..... Implementation, Year 2

Compact Information

Amount..... \$110 million

Duration5 years

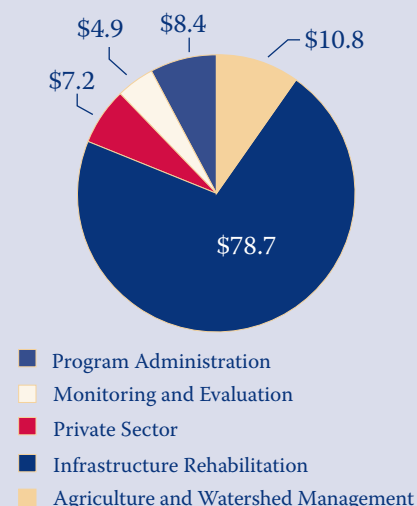
Country Information

Population 506,807*

GNI Per Capita.....\$1,870*

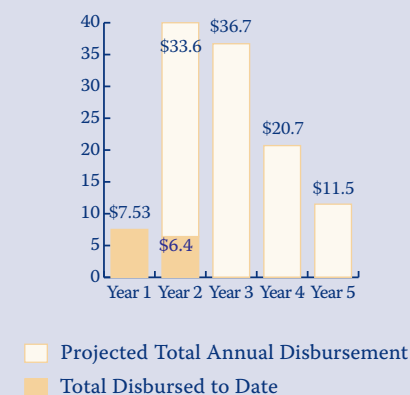
Obligations by Key Sector

in millions



Disbursement Schedule

in millions



*World Development Indicators, World Bank, 2005



Compact Goal

El Salvador's Program is expected to play a key role in the transformation of the northern region of the country by: (i) significantly increasing the number of households with access to basic services such as water, sanitation and electricity; (ii) improving community infrastructure to facilitate greater access to health and education facilities as well to jobs and markets; (iii) spurring new investment in value-added production chains to increase productivity and competitiveness of local and national businesses; (iv) increasing the number of local people with the necessary skills to drive a growing and diversified economy; and (v) providing modern connectivity to local and regional producers with national, regional and global markets via the northern transnational highway and proposed network of complementary feeder roads.

Update on Progress

- Fondo del Milenio (FOMILENIO), the governmental entity responsible for the oversight and implementation of the program, was established by legislative decree in January 2007.
The Board of Directors of FOMILENIO was confirmed in March. The Board includes four Government of El Salvador representatives of the Government of El Salvador, one private sector representative and two non-governmental organization representatives.
FOMILENIO's Advisory Council has been fully formed and approved by the FOMILENIO Board of Directors. The Advisory Council is made up of the following members: 5 Commissioners of the National Development Commission, 3 Mayors from the Northern Zone (plus 3 alternate Mayors), and 1 civil society representative from the Northern Zone (and alternate).
FOMILENIO selected a contractor to provide services under the Productive Development component of the program. For more information please visit www.mca.gob.sv
The Compact entered-into-force on September 20, 2007. This marks the start of the 5-year Compact term of the compact and authorizes the disbursement of compact funds to FOMILENIO.

...This is a country project for which we have waited half a century. Connecting the North with the rest of the country is the trigger for progress in this zone, which, for years has been isolated.
- President Elias Antonio Saca, President of El Salvador

Compact Status

Status..... Compact Signed

Compact Information

Total Amount.....\$461 million

Duration5 years

Compact Signed11-29-2006

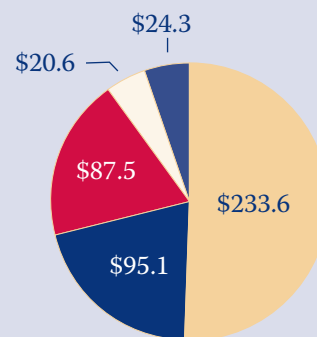
Country Information

Population6,880, 951*

GNI Per Capita..... \$2,450*

Program Components

in millions



- Accountability
Program Administration
Productive Development
Human Development and Social Infrastructure
Connectivity

*World Development Indicators, World Bank, 2005



Update on Progress

The MCC Board of Directors has suspended The Gambia’s eligibility for MCA assistance citing a pattern of actions inconsistent with MCC’s selection criteria.

Compact Status

Status..... Suspended

Compact Process

Stage	Completed
<input checked="" type="checkbox"/> Eligibility	11-08-2005
Notification	
Proposal Receipt	
Opportunity Memo	
Congressional Notification on Compact Negotiations	
Investment Memo	
Board Approval	
Compact Signing	
Entry Into Force	
Initial Disbursement	

Country Information

Population1,477,666*
GNI Per Capita \$290*

*World Development Indicators, World Bank, 2005



Compact Goal

MCC signed a 5-year Compact with the Government of Georgia in September 2005. The Compact program is designed to rehabilitate key regional infrastructure by improving transportation for regional trade, ensuring a reliable supply of energy, and improving the delivery of regional and municipal services. In addition, the program will develop regional enterprises by funding investment and increasing productivity in farms, agribusinesses and other enterprises to increase jobs and rural income. The Millennium Challenge Georgia Fund (www.mcg.ge) is administering the program, with oversight from the mixed governmental/non-governmental/private sector Supervisory Board and a civil society Stakeholders' Committee.

Update on Progress

Progress on the Road Rehabilitation

- Rehabilitation will be concentrated on roads traversing the Samtskhe-Javakheti region, enabling agricultural and other suppliers to more easily connect with consumers and helping the region to integrate economically through improved access to jobs and markets.
- The roads design and feasibility study as well as other components of the pre-construction phase have been finalized for 245 km of rural road.
- The procurement process for the construction of the road is presently underway. Construction is expected to begin in 2008.

Progress on the Energy Sector Rehabilitation

- Phase 1 of repairs on critical sections Georgia's main natural gas pipeline totaling \$14.5 million in MCC funding were completed in 2007. Phase 2 repairs and rehabilitation are being designed for the 2008 construction season.
- The Georgian Oil and Gas Corporation (GOGC), the institution responsible for the long-term operations of the pipeline on behalf of the Georgian Government, is designing and supervising the repairs.
- The pipeline repairs include standards for environmental protection that are being employed by GOGC and private sector contractors for the first time.

Progress on the Georgia Regional Development Fund

- The Georgia Regional Development Fund approved its second investment in November, 2007, bringing its total investments to \$3.5 million. The second investment of \$1.8 million supports the expansion plans of a Georgian hotel chain in several cities throughout Georgia.
- The Fund, managed by SEAF Management LLC, officially launched in January 2007, provides loan and equity capital for small- and medium-sized enterprises operating in the agribusiness and tourism sectors outside the capital, Tbilisi.

Progress on the Regional Infrastructure Development Project

- The Poti Municipal Water Project for rehabilitation of water delivery services has been initiated. As a result of the project, the population of Poti (50,000 people) will receive a 24 hour supply of safe drinking water. The MCC grant of \$5.55 million leveraged additional parallel financing for the total project costs of \$15.6 million.
- The Municipal Development Fund (MDF), a Georgian entity, is implementing the program that will provide funds for the rehabilitation of regional and municipal infrastructure, such as water supply, sanitation and irrigation

Progress on the Agribusiness Development Activity

- A total of 51 grant agreements have been signed for an aggregate value of \$1,704,246. Thirty six grants are for primary agricultural producers, ten are for Farm Service Centers, and five are for agricultural processors and manufacturers.
- These projects will directly benefit approximately 500 farmers and indirectly benefit an estimated 36,000 rural Georgians who will have greater access to quality agriculture supplies and extension services .
- Grantees use funds to expand current production of fruit, vegetables, fish and livestock, improve/expand processing facilities for agricultural products, and open farm service centers to serve their local communities.

Compact Status

Status.....Implementation, Year 2

Compact Information

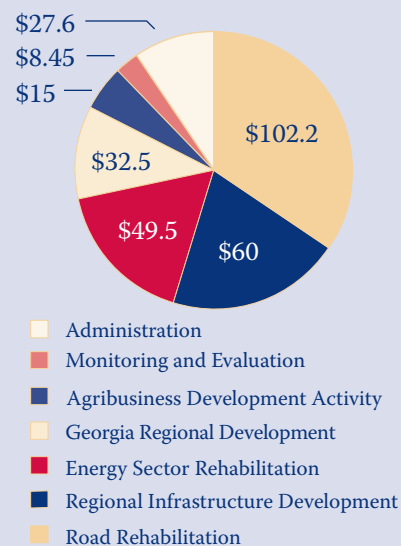
Total Amount.....\$295.3 million
Duration5 years
Compact Signed9-12-2005
Entry Into Force.....4-7-2006

Country Information

Population4,474,404
GNI Per Capita..... \$1350*

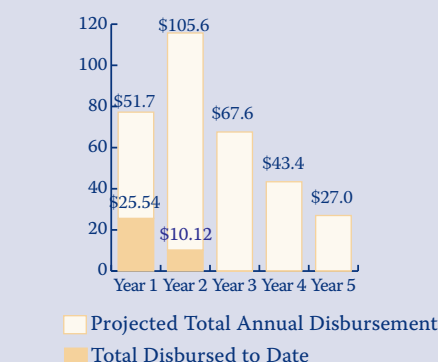
Obligations by Key Sector

in millions



Disbursement Schedule

in millions



*World Development Indicators, World Bank, 2005



"The successful implementation in Ghana of the Compact... will launch an epochal transformation of my country's agriculture into modernity not only in agricultural practices but also in value addition and agro-industrialization with great promise for enhanced productivity, commerce, food security, employment generation, rural development and poverty alleviation."

—His Excellency John Agyekum Kufuor
President of the Republic of Ghana

Compact Goal

The goal of the Ghana Compact program is to reduce poverty through private sector-led agribusiness development. Interventions aim to reduce poverty by increasing farmer incomes and export earnings. Specifically, these investments are designed to increase the production and productivity of high-value cash and food staple crops in some of Ghana's poorest regions and to enhance the competitiveness of Ghana's agricultural products in regional and international markets.

The Compact is comprised of three components: the Agriculture project (\$241 million) is designed to enhance the profitability of commercial agriculture among small farmers. The Transportation project (\$143 million) is designed to reduce transportation costs for rural farmers taking crops to market. The third component, a Rural Development project (\$101 million) is designed to expand the availability of basic community services such as access to education, water and sanitation, and electricity in rural areas.

Update on Progress

- Entry-Into-Force of the Ghana Compact occurred on February 16, 2007, with Initial Disbursement following soon after on March 7, 2007. With this disbursement, the Millennium Development Authority (MiDA) began work on the commercial training, agriculture credit, community services, and financial services activities of the Compact.
President Kufuor recently appointed a new MiDA Board chair, Edward Boateng, who officially took up his post on August 1, 2007.
MiDA signed an Implementing Entity Agreement with the Bank of Ghana (BoG) on September 13, 2007, allowing the BoG to begin implementation of the agricultural credit program.
On September 17, 2007, MiDA signed an Implementing Entity Agreement with the Public Procurement Authority for the implementation of the procurement capacity building activity.
MiDA signed an Implementing Entity Agreement with the Ministry of Food and Agriculture (MOFA) on October 22, 2007. This agreement will allow MOFA to identify and recruit farmer-based organizations to participate in the commercialization training. Training is expected to begin in March 2008.
By end 2007, MiDA expects to have signed major contracts in all three component areas of the Compact. Implementation is expected to accelerate rapidly in early 2008.
Additional information regarding the current status of the Ghana Compact program and its related procurement notices can be found on the MCA Ghana website at www.mida.gov.gh.

Compact Status

Status..... Compact Signed

Compact Information

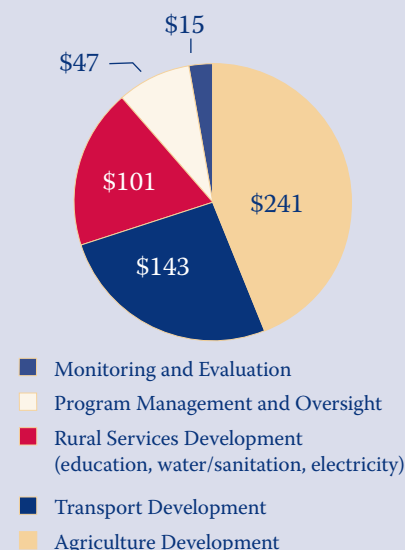
Total Amount..... \$547.009 million
Duration 5 years
Compact Signed 8-01-2006
Entry Into Force..... 2-16-2007
Initial Disbursement..... 3-07-2007

Country Information

Population 22,532,600*
GNI Per Capita..... \$520*

Obligations by Key Sector

in millions



*World Development Indicators, World Bank, 2007



Compact Goal

MCC signed a 5-year Millennium Challenge Compact with the Government of Honduras in June, 2005. The compact seeks to reduce poverty by increasing the productivity and business skills of farmers who operate small and medium size farms and their employees, and by reducing transportation costs between targeted production centers and national, regional and global markets. The Rural Development Project and the Transportation Project of the Program are respectively focused on achieving these goals. The Program seeks to improve incomes by \$69 million per year. MCA-Honduras (www.mcahonduras.hn), a Honduran government entity comprised of a technical unit and a supervisory board with civil society and government representation, manages the Program.

Update on Progress

Rural Development Project

- President Zelaya, Ambassador Ford, Minister Hernandez and other officials attended the first year anniversary of the Farmer Training and Development Activity (FTDA) in Comayagua. During the event, Andy Medlicott, Executive Director of the entity that implements the FTDA, presented an overview of accomplishments highlighting success stories of progress in meeting targets in implementation. Through the FTDA, 1015 farmers are currently receiving technical assistance for crop production, product commercialization and training on production and small business skills through weekly on-farm visits by professional agronomists. In addition, 206 farmers are undergoing the selection process prior to official registration as program farmers.
- It is expected that 8,225 farmers will receive such training over the 5 year life of the Program. Relationships with exporters and local markets for commercialization of products grown by program farmers continue to be strengthened.
- During the month of October, program farmers invested more than \$86,000 in fixed assets, primarily related to the installation of irrigation equipment.

- 83% of program farmers sell their produce in the local market and the remaining 17% have begun production for exports to regional markets – tomato, sweet peppers, cucumbers and onions, and to the USA, Canada and the European Union – sweet potato, plantains and squash.
- MCA-Honduras is developing grant agreements for 7 proposals approved by the grants committee for funding through the Agricultural Public Goods Grants Facility. Disbursements to grantees are expected to commence by the end of November.
- Within the Farm to Market Roads Activity, more than 800 km. of rural roads have been evaluated and the corresponding ERRs for each road have been estimated. The mayors of the corresponding municipalities have demonstrated high interest in this activity and continue to actively support the MCA-Honduras team in completing the road selection process.

Transportation Project

- MCA-Honduras has begun negotiations with people that will need to be resettled regarding the specific compensation they are due to receive. Approximately 800 people will be impacted or resettled along the MCA portion of the CA-5 highway improvement corridor.
- MCA-Honduras has submitted to the Honduran Congress a new decree to enable the resettlement activities in time to allow for construction on the CA-5 highway within the compact's timeline.
- The designs for the northern half of the CA-5 highway improvement have been finalized and the construction firms have been pre-qualified. Release of the bidding documents is expected in December and construction is expected to commence in April 2008.
- MCC has begun discussions with CABI (Central American Bank of Economic Integration) and the Government of Honduras regarding a potential co-financing of works on the Southern segment of the CA-5.

Compact Status

Status..... Implementation, Year 3

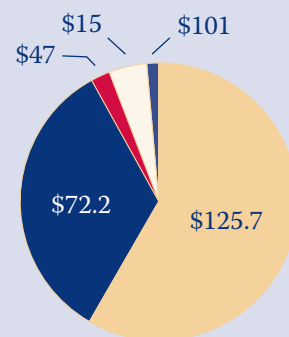
Compact Information

Total Amount..... \$215 million
Duration5 years
Compact Signed 6-13-2005

Country Information

Population 7,204,723*
GNI Per Capita..... \$1,190*

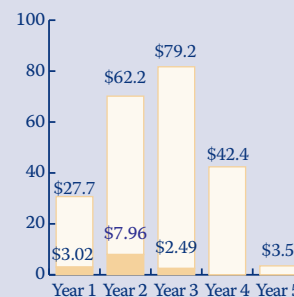
Obligations by Key Sector
in millions



- Auditing
- Program Administration
- Monitoring and Evaluation
- Rural Development Project
- Transportation Project

Disbursement Schedule

in millions



- Projected Total Annual Disbursement
- Total Disbursed to Date

*World Development Indicators, World Bank, 2005



Update on Progress

- Jordan has appointed a full time point of contact for MCC proposal development and assembled a team of dedicated professionals. This team is organizing data collection for the macroeconomic “constraints analysis”, a first step toward a full proposal. Jordan’s Threshold Program is advancing reform in the areas of political rights, civil liberties, voice and accountability, and economic freedom. The ongoing program is managed by US AID, which awarded contracts for customs modernization and municipal governance support projects earlier this year.
- The MCC team traveled to Jordan to provide detailed guidance on the macroeconomic constraints analysis, results of which will inform a subsequent consultative process. The delegation expects to meet with civil society and private sector representatives, donor partners, and Jordanian government officials to encourage broad participation in the development of a proposal.

Compact Status

Status.. Newly Eligible for FY 2007

Country Information

Population 5,600,000*

GNI Per Capita..... \$2,660*

Compact Process

Stage	Completed
<input checked="" type="checkbox"/> Eligibility Notification	11-08-2006
Proposal Receipt	
Opportunity Memo	
Congressional Notification on Compact Negotiations	
Investment Memo	
Board Approval	
Compact Signing	
Entry Into Force	
Initial Disbursement	

*World Development Indicators, World Bank, 2007



Proposed Goal

Lesotho’s Compact for approximately \$362.6 million over five years endeavors to reduce poverty by safeguarding the health of the population to achieve the productive participation of those of working-age in the economy and to secure the productive participation of future generations. It also aims to enhance the prospects of short-term economic recovery and the long-term viability of private sector led economic growth. Compact activities include: health care infrastructure, urban and rural water infrastructure development and private sector development.

Update on Progress

- Compact Implementation Funding Letter Agreement has been signed by all parties.
- Emerging Markets Group will act as the Procurement Agent.
- Negotiations are still ongoing with regards to the Fiscal Agent.
- The Bank Agreement is expected to be signed in the near future.
- Public Outreach: An interview with MCC Resident Country Director, Gene MacDonald and Deputy Resident Country Director Brian Baltimore was published in the “Public Eye”, a local newspaper in Maseru, on October 22.
- The first Disbursement Request for Compact Implementation Funding under the Compact and the related Quarterly Financial Report were approved by MCC on November 17.

Compact Status

Status.....Due Diligence

Compact Information

Compact Amount\$362 million

Compact Duration5 years

Country Information

Population 1.8 million

GNI Per Capita..... \$960*

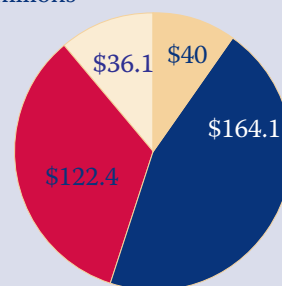
Compact Process

Stage	Completed
<input checked="" type="checkbox"/> Eligibility Notification	5-06-2004
<input checked="" type="checkbox"/> Proposal Receipt	3-01-2005
<input checked="" type="checkbox"/> Revised Proposal Receipt	6-29-2006
<input checked="" type="checkbox"/> Opportunity Memo	7-20-2006
<input checked="" type="checkbox"/> Congressional Notification on Compact Negotiations	4-20-2007
<input checked="" type="checkbox"/> Investment Memo	5-24-2007
<input checked="" type="checkbox"/> Board Approval	6-27-2007
<input checked="" type="checkbox"/> Compact Signing	07-23-2007

Entry
Into Force

Initial Disbursement

**Proposed Key Sectors
in millions**



- Program Administration
- Health Sector
- Water Sector
- Private Sector Development

*World Development Indicators, World Bank, 2005



Compact Description

MCC signed a four year Compact with the Government of Madagascar in April 2005. The Compact program is designed to augment incomes in rural areas by increasing land security, expanding competition in the financial sector, and increasing investment in farms and other rural businesses. Program implementation is focused on five discrete geographic high-potential zones. The Program is being administered by MCA-Madagascar (www.mcamadagascar.org), a Government of Madagascar entity, with oversight from a mixed public-private Steering Committee and a civil society Advisory Council.

Progress on the Land Tenure Project

- The Land Tenure Project is making progress towards a modernized decentralized national system. A total of 19 local land management offices have been opened and are issuing land certificates. Full expansion of decentralizing land management has begun in two of MCA-Madagascar's zones. Expansion into the remaining three zones is planned for January, 2008.
- All existing land documents in the 29 land administration services (a total of more than 876,000 documents) have been inventoried.
- Construction of permanent buildings for the existing land offices, and the architectural and environmental studies for the construction of the remaining estimated 240 land management offices that will be established by mid-2008, will begin in December, 2007.

Progress on the Finance Project

- The feasibility and design study for the new national inter-bank payment system has been completed, and implementation of this system is expected to begin in February, 2008.
- The \$1 million Institutional Support Fund for microfinance institutions

(MFIs) was launched and five proposals were selected to receive funding with the goal of increasing accessibility of credit in rural areas. These activities are expected to begin in early 2008.

- A consulting team of international financial and legal experts (Eurogroup) is currently designing reforms to the banking and financial market laws, which will be submitted to the Malagasy Parliament for ratification

Progress on the Agricultural Business Investment Project (ABIP)

- MCA-Madagascar has established six Agricultural Business Centers (ABCs) operating in the five zones. These centers provide rural entrepreneurs with training and technical assistance on agribusiness technology, accessing credit and management skills. The centers have provided technical assistance to over 7,500 farmers, and have assisted farmer groups in mobilizing \$485,000 worth of loans from microfinance institutions through their training in business plan development. A consortium led by Chemonics, Inc. has been selected to scale up services being offered by the ABCs. The ABCs focus on a number of key value chains including, but not limited to, rice, onions, potatoes, essential oils, crab, and sugar cane.

Compact Status

Status..... Implementation, Year 3

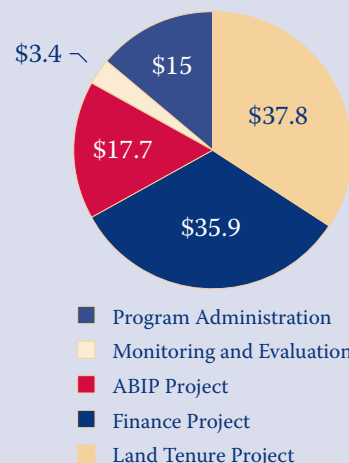
Compact Information

Total Amount.....\$109.8 million
Duration 4 years
Compact Signed4-18-2005

Country Information

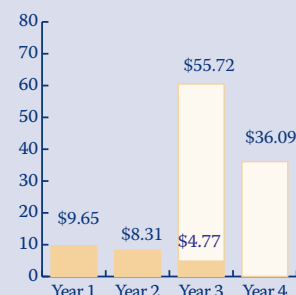
Population18,605,920
GNI Per Capita.....\$290

Obligations by Key Sector in millions



Disbursement Schedule*

in millions



Projected Total Annual Disbursement
Total Disbursed to Date

*Starting from Entry Into Force: July 2005



Compact Goal

MCC’s investments as described in the Compact will support the development of key infrastructure and policy reform for productive sectors by addressing Mali’s constraints to growth and capitalizing on two of the country’s major assets, the Bamako-Sénou Airport, gateway for regional and international trade, and the Niger River Delta for irrigated agriculture. The Compact program (Program) will increase production and productivity of agriculture and small- and medium-sized enterprises, as well as expand Mali’s access to markets and trade. The Program objectives will be met through investments aimed to increase farmers’ incomes, enhance agricultural supply chains, reduce transport costs and create a platform for industrial production.

The Program’s three projects:

- Expansion of large-scale irrigated agriculture in the Alatona zone of the Office du Niger: Interventions proposed in this Project will focus on increased agricultural production and productivity, crop diversification, improved road infrastructure, access to credit and secure property rights for farmers, in turn catalyzing the transformation and commercialization of family farms.
- Renovation and modernization of the Bamako-Sénou Airport: Interventions proposed in this Project are designed to increase cargo and passenger capacity and improve efficiency and safety.
- Development of an Industrial Park in the Bamako-Sénou Airport domain: Interventions proposed in this Project are designed to establish Mali’s first adequately serviced industrial park.

Update on Progress

- September 2007: The Compact entered into force on September 17. A ceremony and press conference at the MCA headquarters in Bamako marked the occasion. Members of the MCA-Mali Board of Directors, US Ambassador Terrence McCulley, and representatives of several Malian journals, in addition to the MCA and MCC representatives, were present. Entry into Force (EIF) marks the beginning of the five-year time limit for implementation of the Compact. Since EIF, nine key officers of the MCA management team have been selected through a competitive recruitment process. The next milestone will be the initial disbursement of funds under the Compact.
- October and November 2007: Public consultations have been ongoing since October 24, as part of the Environmental Impact Assessment and Resettlement Action Plan required for the Alatona Irrigation Project. Round 2 public consultations for the Kalabankoro, Kabala, Noumoubougou, and Sénou sites were also completed.
- November 2007: The CEO visited Mali for four days, meeting with stakeholders in the Segou region, visiting the Airport and Industrial Park sites, meeting with MCA staff, the MCA board, the Prime Minister and President, civil society members as well as attending the Community of Democracies conference. The visit received significant media coverage and served to reinforce the importance of common engagement toward the achievement of Compact objectives. The MCA-Mali Board of Directors met for a 3rd meeting and approved key documents for Initial Disbursement projected for December. A feasibility study finalization workshop for the Airport and Industrial Park components was hosted by MCA-Mali and attended by key Malian stakeholders and government officials.

Compact Status

Status..... Compact Signed

Compact Information

Total Amount.....\$460.8 million

Duration5 years

Compact Signed11-13-2006

Country Information

Population13,518,420

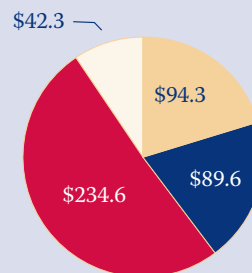
GNI Per Capita..... \$380

Stage	Completed
<input checked="" type="checkbox"/> Eligibility Notification	05-06-2004
<input checked="" type="checkbox"/> Proposal Receipt	02-20-2005
<input checked="" type="checkbox"/> Opportunity Memo	07-07-2005
<input checked="" type="checkbox"/> Congressional Notification on Compact Negotiations	07-27-2006
<input checked="" type="checkbox"/> Investment Memo	08-31-2006
<input checked="" type="checkbox"/> Board Approval	9-14-2007
<input checked="" type="checkbox"/> Compact Signing	10-26-2006
<input checked="" type="checkbox"/> Entry Into Force	09-17-2007

Initial Disbursement

Obligations by Key Sector

in millions



- Program Management and Monitoring & Evaluation
- Agriculture Development
- Airport Improvement
- Industrial Park



Update on Progress

- The Government of Moldova has identified the political and technical points of contact to serve as MCC's partners in the Compact development process...

Compact Status

Status.....Eligible

Country Information

Population4,466,706 *

GNI Per Capita..... 1,100**

Compact Process

Table with 2 columns: Stage, Completed. Rows include Eligibility (checked), Notification, Proposal Receipt, Opportunity Memo, Congressional Notification on Compact Negotiations, Investment Memo, Board Approval, Compact Signing, Entry Into Force, Initial Disbursement.

* CIA World Factbook 2006

**World Development Indicators, World Bank, 2005



“The Mongolia MCA Proposal is the result of a long and broad participatory process, which involved [a] large number of people at the local level as well as more than 100 national experts, and all sides of the political, private sector and civil society spectrum. I don’t think Mongolia ever had such a participatory project.”

— *Enkhtuya Oidov*

General Secretary, Mongolian National Council

Proposed Compact Goal

The five-year \$285 million Mongolia Compact seeks to enable key institutions and infrastructure to better support the country’s burgeoning urbanized, market-based economy and help Mongolians to increase their incomes by becoming healthier and better trained, by using their land assets more productively, and by increasing their capacity to trade with the world.

Expected Results

- The Mongolian Compact anticipates that the following benefits will result:
- By 2028, the Program is expected to benefit directly roughly 95% of the country’s projected population in that year.
- Per capita incomes for all Mongolians are expected to be 3.5% higher five years after the start of the Program, and to increase by a total of 4.5% within 20 years after the start of the Program.
- These increases correspond to increments of \$158 million to annual GDP after five years, and \$404 million after 20 years.

Update on Progress

- On October 22, 2007, the Government of Mongolia and MCC signed a five-year \$285 million Compact.

Compact Status

Status..... Compact Signed

Compact Information

Amount.....\$285 million

Country Information

Population 2,554,000*

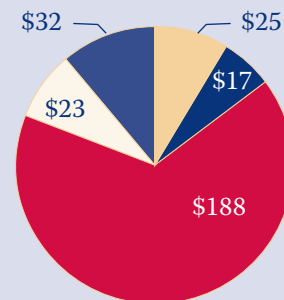
GNI Per Capita..... \$690*

Compact Process

Stage	Completed
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<input checked="" type="checkbox"/> Proposal Receipt	10-13-2005
<input checked="" type="checkbox"/> Opportunity Memo	11-03-2005
<input checked="" type="checkbox"/> Congressional Notification on Compact Negotiations	06-13-2007
<input checked="" type="checkbox"/> Investment Memo	08-16-2007
<input checked="" type="checkbox"/> Board Approval	09-12-2007
<input checked="" type="checkbox"/> Compact Signing	10-22-2007
Entry Into Force	
Initial Disbursement	

Proposed Key Sectors (under review)

in millions



- Transportation
- Health
- Education
- Property Rights
- Administrative Cost

*World Development Indicators, World Bank, 2005



Proposed Goal

- The objective of the Government of Morocco's Compact with the MCC is to stimulate economic growth by increasing productivity and improving employment in high potential sectors. Three sectors are identified as focus areas of the MCC-funded program, in line with the country's strategy for economic growth: 1) agriculture and related activities, 2) small-scale, coastal fishing and 3) artisan crafts and tourism. The GOM requested funding for targeted investments along the value chain that would unlock opportunities and transform these sectors. The investments include market infrastructure, support to the financial sector, and training and technical assistance in business management to unleash small business creation and stimulate growth.

Update on Progress

- August 2007: MCC's Board of Directors approved the Morocco Compact. The Compact signing ceremony took place in Tétouan, Morocco on August 31. Immediately after Compact signing, King Mohammed VI and the Counsel of Ministers met to approve the legislation to ratify the Compact and establish the Accountable Entity. The legislation is expected to be presented to the parliament for full ratification in late 2007.
- September 2007: The Government of Morocco and MCC are finalizing the procurement schedule for the period prior to the Compact's Entry into Force.
- October 2007: The Government of Morocco released the General Procurement Notice for the compact implementation funding period. It is available through the MCC website.

Compact Status

Status.....Compact Signed

Compact Information

Proposed Amount...\$697.5 million

Proposed Duration.....5 years

Country Information

Population 33,241,259*

GNI Per Capita..... \$1,730**

Compact Process

Stage	Completed
<input checked="" type="checkbox"/> Eligibility Notification	11-08-2005
<input checked="" type="checkbox"/> Proposal Receipt	8-01-2006
<input checked="" type="checkbox"/> Opportunity Memo	9-28-2006
<input checked="" type="checkbox"/> Congressional Notification on Compact Negotiations	6-08-2007
<input checked="" type="checkbox"/> Investment Memo	7-12-2007
<input checked="" type="checkbox"/> Board Approval	08-09-2007
<input checked="" type="checkbox"/> Compact Signing	08-31-2007

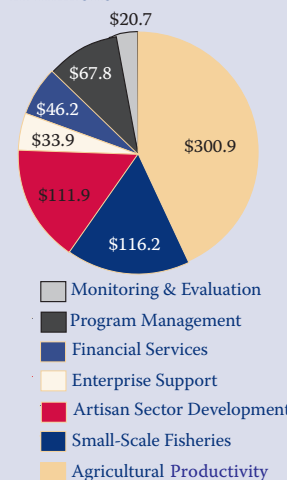
Entry

Into Force

Initial Disbursement

Proposed Key Sectors

in millions



*CIA World Factbook, 2006

**World Development Indicators, World Bank, 2005



Program Summary

The objective of the \$507 million program is to increase the productive capacity of the population in selected districts of northern Mozambique, with the intended impact of reducing poverty, increasing household income and employment, and reducing chronic malnutrition. The Program seeks to help unlock the economic potential of the north, which is crucial to sustaining Mozambique’s growth, by removing key binding constraints to growth and enhancing key water/road sector institutions. Specific interventions include: rural and urban water and sanitation, roads, improved land administration, agriculture, and cross-cutting policy reforms and capacity building initiatives.

Update on Progress

- MCA Mozambique submitted a proposal to MCC on July 1, 2005. MCC and the Government of Mozambique (GOM) executed a \$6 million pre-Compact Grant Agreement on September 9, 2005, which was amended on June 16, 2006, to increase the pre-Compact funding to up to \$13.5 million to assist with developing a final program design and implementation framework for the proposed Compact. Implementation of the pre-Compact assistance culminated in the GOM’s submitting a revised proposal in December 2006, on which MCC’s due diligence was completed in May 2007. On July 13, 2007, the MCC and the Government of Mozambique signed a \$506.9 million Compact in a ceremony witnessed by President Armando Guebuza and Deputy Secretary of State, John Negroponte.
- The Compact was ratified on August 7, 2007, by the Council of Ministers. The Council of Ministers also approved on August 7, 2007, the creation of MCA-Mozambique, a public institution under Mozambican law with distinct legal, administrative and patrimonial autonomy for the implementation of the Compact.
- Several members of the Management Unit of the MCA Mozambique have been selected, following an open and competitive recruitment process. They are expected to be fully engaged by the end of the year. The recruitment process for management officers and project managers will continue through the first quarter of 2008.
- The procurements for the Fiscal and Procurement Agents are underway and the contracts are expected to be executed in mid-December.
- Ambassador John Danilovich visited Mozambique during the month of November. He visited the Nampula and Cabo Delgado provinces in Northern Mozambique. During his visit, he met with stakeholders, potential beneficiaries, private sector representatives, media, academics, and national and local authorities to discuss the implementation of the Compact. While in Maputo, he met with President Guebuza and a number of cabinet members to discuss the progress of the Compact’s start-up phase and the challenges of the upcoming months.

Compact Status

Status..... Compact Signed

Compact Information

Compact Amount \$506.9 million

Compact Duration.....5 years

Country Information

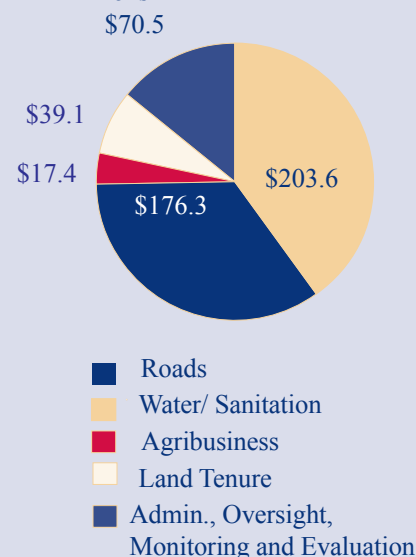
Population 19,792,300

GNI Per Capita \$310*

Compact Process

Stage	Completed
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<input checked="" type="checkbox"/> Proposal Receipt	7-01-2005
<input checked="" type="checkbox"/> Opportunity Memo	8-02-2005
<input checked="" type="checkbox"/> Congressional Notification on Compact	
Negotiations	4-05-2007
<input checked="" type="checkbox"/> Investment Memo	6-06-2007
<input checked="" type="checkbox"/> Board Approval	6-27-2007
<input checked="" type="checkbox"/> Compact Signing	7-13-2007
Entry Into Force	
Initial Disbursement	

Proposed Key Sectors in millions



*World Development Indicators, World Bank, 2005



“A great number of development programs are in progress, but with limited finances the pace is often slow. The amounts committed through the MCA will significantly fast track poverty reduction efforts... This program will be one of the single most important initiatives targeting poor communities.

We have a real chance here.”

—Penny Akwenye

MCA Namibia National Coordinator

Proposed Goal

Namibia’s Compact Proposal seeks to reduce poverty through economic growth and foster economic transformation. The proposed program aims to achieve this goal in two ways: increasing the competence of the Namibian workforce (knowledge, skills and attitude), and increasing the productivity of (on-farm and off-farm) enterprises in rural areas. Key sectors proposed include: Education, Agriculture (livestock and indigenous natural products), and Community Based Tourism with supporting investments in roads.

Update on Progress

- In late November 2007, an MCC team of staff and consultants traveled to Namibia to introduce the new MCC team management to key Government of Namibia counterparts, U.S. government officials, and other relevant stakeholders involved in the MCA process, and to participate in the Livestock Project Roundtable on improved market access and rangeland management.
- Since kicking off due diligence in February, 2007, MCC has conducted due diligence missions to Namibia for livestock, indigenous natural products, financial management, monitoring & evaluation, tourism, property rights & land policy, economic analysis, infrastructure, environmental & social assessment, education and procurement. Due diligence missions on property rights and land policy, tourism, and education are scheduled to occur in December 2007.

Compact Status

Status.....Due Diligence

Compact Information

Proposed Amount....\$313.5 million

Proposed Duration.....5 years

Country Information

Population2,100,000*

GNI Per Capita.....\$3,230*

Compact Process

Stage	Completed
<input checked="" type="checkbox"/> Eligibility Notification	11-08-2005
<input checked="" type="checkbox"/> Proposal Receipt	9-29-2006
<input checked="" type="checkbox"/> Opportunity Memo	12-07-2006
Congressional Notification on Compact Negotiations	
Investment Memo	
Board Approval	
Compact Signing	
Entry Into Force	
Initial Disbursement	

*World Development Indicators, World Bank, 2007



Compact Goal

MCC signed a 5-year Compact with the Government of Nicaragua on July 14, 2005. Nicaragua's program for MCA assistance seeks to advance economic growth and poverty reduction by funding three projects in the Northwestern part of the country, an impoverished region with significant growth potential.

The program will reduce poverty and spur economic growth by funding projects in the regions of León and Chinandega aimed at reducing transportation costs and improving access to markets for rural communities, increasing wages and profits from farming and related enterprises in the region, and increasing investment by strengthening property rights. The MCA-Nicaragua Foundation (www.cuentadelmilenio.org.ni) administers the program.

Land Regularization Component

- An early titling effort has been approved to identify and clean approximately 464 property titles on a beneficiary-demand basis, prior to the initiation of the large-scale, more systematic property regularization campaign.
- In September 2006, MCA-Nicaragua publicly launched the Property Regularization Component of the Compact, awarding the first 26 clean titles to beneficiaries in the Department of León. This included 16 urban titles and 10 rural titles, many of which went to female landowners. These titles are the first of 43,000 titles to be delivered under the Program.

Rural Business Development Component

- The Rural Business Development Component of the program has assisted producers to develop and implement nearly 1,000 business plans. Approximately 985 bean, cassava and sesame producers have received technical assistance in marketing their products, thereby increasing profits. MCA-Nicaragua assisted a group of local cassava producers, who were able to export several containers of cassava (one to the U.S., another to El Salvador), doubling or

tripling the price they normally receive on the local market.

- Investment promotion activities through ProNicaragua and MCA-N have resulted in investment commitments that will create 1,300 jobs in Leon and Chinandega.
- More than 300 cattle producers are receiving technical and market access assistance. Six milk collection facilities have now been installed, assisting approximately 150 cattle farmers (including 34 women) to improve milk quality, yields and market access.
- MCA-Nicaragua will assist during this agricultural cycle with the establishment of 1,100 hectares of high value timber, fuel wood and fruit trees as part of a larger effort to develop a forestry cluster MCA-Nicaragua has teamed with a government-initiated forest fire prevention campaign aimed at reducing the major environmental problems caused by seasonal forest fires. The watershed management project will complement this initiative.
- Five private tree nurseries are being developed and supported to grow trees for reforestation. MCA-Nicaragua has facilitated the planting of over 700,000 trees to date and expects to reach 1 million in the next 3 months with 476 farmers.
- MCA-N signed the livestock cluster development contract in September 2007. The services carried out by the contracted firm will benefit approximately 1,700 rural producers.

Infrastructure Project

- The Government of Nicaragua passed critical road maintenance funding legislation prior to entry into force of the Compact. This legislation helped to collect more than USD\$10 million for roads maintenance during 2006.
- Survey work on the Nejapa-Izapa road is underway. In addition, large trucks are being weighed in key sections of the road to obtain data that will be used for the final designs. Aerial photography has been completed. The traffic studies for the primary road segment will last approximately three weeks.

Compact Status

Status.....Implementation, Year 1

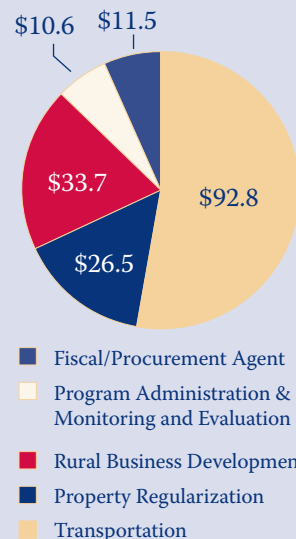
Compact Information

Total Amount.....\$175 million
Duration5 years
Compact Signed7-14-2005
Entry Into Force.....5-26-2006

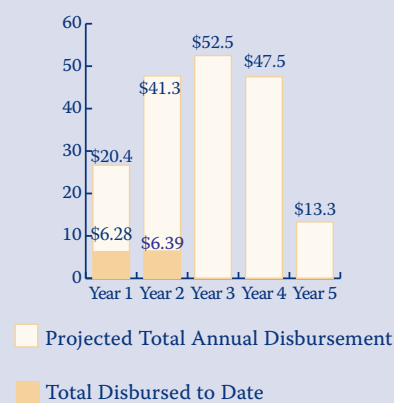
Country Information

Population5,486,685*
GNI Per Capita.....\$910*

Obligations by Key Sector
in millions



Disbursement Schedule
in millions



*World Development Indicators, World Bank, 2005



Proposed Goal

- The Government of Senegal is considering redirection of its proposal to MCC.

Update on the Compact Development Process

- MCC and the Government of Senegal continue to collaborate on design and assessment of a program which will address key constraints to Senegal's development, and promote poverty reduction through economic growth.

Compact Status

Status..... Proposal Received

Compact Information

Proposed Amount:..... \$255 million

Proposed Duration:..... 5 years

Country Information

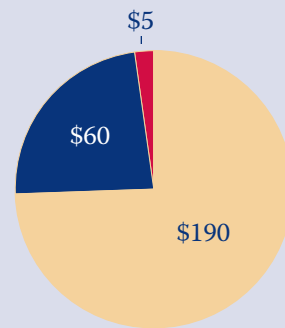
Population 11,658,170*

GNI Per Capita \$710*

Compact Process

Stage	Completed
<input checked="" type="checkbox"/> Eligibility Notification	3-06-2004
<input checked="" type="checkbox"/> Proposal Receipt	1-15-2005
<input checked="" type="checkbox"/> Opportunity Memo	6-22-2005
<input checked="" type="checkbox"/> Congressional 609g Request	6-30-2005
Congressional Notification on Compact Negotiations	
Investment Memo	
Board Approval	
Compact Signing	
Entry Into Force	
Initial Disbursement	

Proposed Obligations by Key Sector in millions



- Program Administration
- Financing Facility
- Industrial Park

*World Development Indicators, World Bank, 2005



Proposed Goal

The goal of the proposal from the Government of Sri Lanka (GOSL) is to reduce poverty by fostering economic growth in targeted areas where poverty is particularly acute. As revised following due diligence, the GOSL proposal focuses on rehabilitation of roads to improve cost effective access to markets.

Update on Progress

- In light of the ongoing security concerns in Sri Lanka, MCC will consider a resumption of compact due diligence activities when there is a greater prospect for success of our mission.

Compact Status

Status.....Due Diligence

Compact Information

Proposed Amount:...\$590 million†

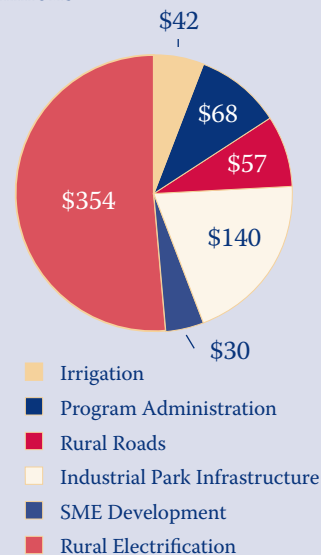
Country Information

Population 19,419,190*
GNI Per Capita.....\$710*

Compact Process

Stage	Completed
<input checked="" type="checkbox"/> Eligibility Notification	5-06-2004
<input checked="" type="checkbox"/> Proposal Receipt	8-01-2005
<input checked="" type="checkbox"/> Opportunity Memo	8-18-2005
Congressional Notification on Compact Negotiations	
Investment Memo	
Board Approval	
Compact Signing	
Entry Into Force	
Initial Disbursement	

Proposed Obligations by Key Sector in millions



*World Development Indicators, World Bank, 2005

†Excluding Government of Sri Lanka proposed funding of \$100 million



Proposed Goal

The goal of the proposed program is to stimulate economic growth, increase household incomes, and raise the quality of life in program areas through targeted infrastructure investments in transportation, energy, and water. The Government of Tanzania views a Compact with MCC as a major opportunity to assist in implementing its National Strategy for Growth and Reduction of Poverty, finalized in 2005. The proposed program is expected to be well coordinated with other donors’ activities and may leverage many of their investments.

Update on Progress

- On September 14, 2007, the Millennium Challenge Corporation’s Board of Directors approved the MCC Compact with Tanzania.
- Millennium Challenge Account-Tanzania (MCA-Tanzania), the Accountable Entity responsible for the implementation of the Compact, was formally constituted by the Government of Tanzania in September 2007 through publication of an official Government Notice.
- In October 2007, President Kikwete appointed the Chief Executive Officer and two Deputy Chief Executive Officers of MCA-Tanzania.
- On October 4, 2007, a \$9.8 million pre-Compact agreement was executed between MCC and the Government of Tanzania to fund feasibility and environmental assessment studies and some start-up costs of MCA-Tanzania.
- The inaugural meeting of the MCA-Tanzania Board of Directors is scheduled to take place on December 5, 2007.

Compact Status

Status.....Approved

Compact Information

Proposed Amount:.... \$698 million

Proposed Duration:.....5 years

Country Information

Population 39,477,000*

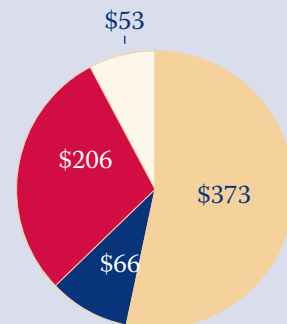
GNI Per Capita.....\$350*

Compact Process

Stage	Completed
<input checked="" type="checkbox"/> Eligibility Notification	11-08-2005
<input checked="" type="checkbox"/> Proposal Receipt	8-29-2006
<input checked="" type="checkbox"/> Opportunity Memo	9-15-2006
<input checked="" type="checkbox"/> Congressional Notification on Compact Negotiations	5-31-2007
<input checked="" type="checkbox"/> Investment Memo	8-30-2007
<input checked="" type="checkbox"/> Board Approval	9-14-2007
Compact Signing	
Entry Into Force	
Initial Disbursement	

Proposed Obligations by Key Sector

in millions



- Program Administration
- Energy
- Water
- Transport

*World Development Indicators, World Bank, 2005



Update on Progress

- The Government of Timor Leste (GTL) submitted a draft Compact proposal to MCC in February 2007 that included investment proposals in the transportation, power, and water/sanitation sectors, vocational education and skills training, and a complementary private sector development component.
- An MCC delegation visited Timor Leste in March 2007 and requested GTL to conduct wider public consultations and to consider a tighter focus for its proposal. GTL is also planning to conduct technical analysis on the proposed projects, and to examine options for implementation arrangements, taking into account limited capacity of line ministries. Parliamentary elections were held in June 2007 followed by the formation of a new Government in August 2007, which was accompanied by civil unrest.
- Further progress on the proposal and Compact is to be determined by the new Government's selection of a MCC point of contact and formation of a team.

Compact Status

Status.....Eligible

Country Information

Population 1,000,000*

GNI Per Capita..... \$840*

Compact Process

Stage	Completed
<input checked="" type="checkbox"/> Eligibility	11-08-2005
Notification	
Proposal Receipt	
Opportunity Memo	
Congressional Notification on Compact Negotiations	
Investment Memo	
Board Approval	
Compact Signing	
Entry Into Force	
Initial Disbursement	

*World Development Indicators, World Bank, 2005



Update on Progress

- MCC conducted an initial visit to Ukraine from January 18-24, 2007 to discuss the MCC Compact development process with the Government of Ukraine (GOU) and other key stakeholders and to describe next steps.
- A second visit took place from March 11-17, 2007 during which the MCC delegation met with the regional governments of Lviv, Odessa, Dnepropetrovsk, and the Autonomous Republic of Crimea. This visit focused on raising awareness of MCC's existing threshold program in Ukraine and of Ukraine's eligibility to participate in MCC's compact program. The visit also focused on engaging the regional governments, NGOs and private sector leaders in the compact development process.

Compact Status

Status...Newly Eligible for FY 2007

Country Information

Population47,110,920*

GNI Per Capita.....\$1,520*

Compact Process

Stage	Completed
<input checked="" type="checkbox"/> Eligibility	11-08-2006
Notification	
Proposal Receipt	
Opportunity Memo	
Congressional Notification on Compact Negotiations	
Investment Memo	
Board Approval	
Compact Signing	
Entry Into Force	
Initial Disbursement	

*World Development Indicators, World Bank, 2005



Compact Goal

The five-year, \$65.69 million Compact addresses improvements of the country’s transportation infrastructure. Consisting of eleven infrastructure projects—including roads, wharfs, an airstrip and warehouses—the program aims to benefit poor, rural agricultural producers and providers of tourist related goods and services by reducing transportation costs and improving the reliability of access to transportation services.

Expected Results

The MCC program is expected to have a transformative impact on Vanuatu’s economic development by increasing average income per capita by 15% within 5 years and directly impacting the lives of more than 65,000 poor, rural inhabitants. The Compact also includes institutional strengthening efforts and policy reform initiatives in Vanuatu’s Public Works Department, namely: provision of plant and equipment for maintenance; introduction of service performance contracts; establishment of local community maintenance schemes; and introduction of user fees. These efforts aim to ensure the sustainable operation and maintenance of Vanuatu’s entire transport infrastructure network, not only those assets built or rehabilitated with MCC funds.

Update on Progress

- On September 27, 2007, MCA-Vanuatu opened the bids (technical proposals) from short-listed bidders for design and construction of all Compact civil works projects (one contract). The bids are undergoing final evaluations.
- During September 19-21, 2007, MCA-Vanuatu conducted public consultations with communities on Malekula and Pentecost islands, regarding the anticipated road, wharf, and warehouse projects. These consultations involved chiefs, local farmers and villagers, women’s groups, and church groups, and focused on preparatory activities in advance of detailed design and project construction.
- Consultations were also held with borrow pit owners and the Department of Geology and Mines to alert them to the expected demands for materials and for issuance of mineral extraction permits. Similarly, consultations have been held with stevedoring and wharf service operators and the Ports and Harbour Department to alert them to the upcoming need for movement and storage of large quantities of imported materials and equipment.
- Vanuatu’s 2007 National Budget contains a substantial increase—of approximately 125 %--in the Public Works Department’s annual budget for road maintenance. PWD has recently commenced large-scale maintenance activities and institutional strengthening activities in response to this funding increase.
- Compilation of baseline data for the Household Income and Expenditure Survey (HIES) has been completed. This survey serves as the primary source for measuring goal-level indicators of the Compact,

Compact

Status..... Implementation, Year 2

Compact Information

Amount..... \$65.69 million

Duration5 years

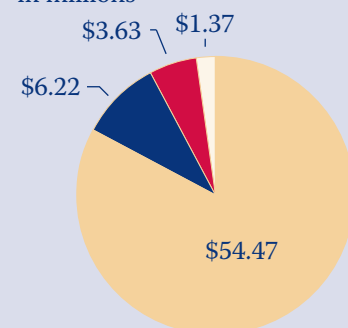
Country Information

Population2215341*

GNI Per Capita..... \$1,710*

Obligations by Key Sector

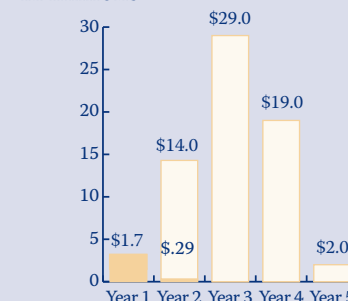
in millions



- Transportation Infrastructure Upgrading
- Institutional Strengthening
- Program Management and Administration
- Monitoring and Evaluation

Disbursement Schedule

in millions



- Projected Total Annual Disbursement
- Total Disbursed to Date

*World Development Indicators, World Bank, 2006