



Millennium Challenge Corporation

Reducing Poverty Through Growth

CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

We wish to inform of the intent to allocate up to \$17,929,752 in FY 2005 Millennium Challenge Account program funds to the United States Agency for International Development (USAID). Obligations will be incurred by USAID for assistance authorized by section 616 of the Millennium Challenge Act of 2003 (the “Act”) for the Millennium Challenge Corporation (MCC) Threshold Program.

On May 5, 2005, the MCC Board of Directors approved the use of \$115 million in FY 2005 funding for the threshold program. MCC has previously notified Congress of its intention to allocate \$97.1 million in FY 2005 funding to USAID -- \$60 million was notified on November 12, 2005 and \$37,070,248 on February 16, 2006. The remaining balance (\$17,929,752) is being allocated now to ensure that sufficient funds are available to continue the threshold program.

To date, the MCC Board has approved three threshold agreements that will be funded with FY 2005 funds – Burkina Faso (\$12.9 million), Malawi (\$20.9 million) and Paraguay (\$34.7 million). MCC anticipates that three other countries will sign threshold agreements to be funded with FY 2005 resources and that USAID will obligate 7 percent of the \$115 million in threshold funding for administrative expenses. The \$17,929,752 allocation, in addition to the prior allocations, is necessary to support these activities.

The funds will be used by USAID to assist countries that are committed to undertaking the reforms necessary to improve their policy performance and potentially qualify as eligible countries under the Act. Assistance will be provided to help these countries improve their performance on the policy indicators that are central to eligibility. Pursuant to section 515 of P.L. 108-447, USAID will notify Congress of specific obligations, by country, incurred from this allocation. The attached notification is being sent to the Congress on April 6, 2006.

Allocation of such funds may be incurred fifteen days from the date of this notice.

Sincerely,

Frances C. McNaught
Vice President
Congressional and Public Affairs

Enclosure:
As stated

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