
**MILLENNIUM CHALLENGE
CORPORATION**

[MCC FR 06-10]

**Notice of Quarterly Report (April 1,
2006-June 30, 2006)**

AGENCY: Millennium Challenge
Corporation.

SUMMARY: The Millennium Challenge Corporation (MCC) is reporting for the quarter April 1, 2006 through June 30, 2006 with respect to both assistance provided under Section 605 of the Millennium Challenge Act of 2003 (Pub. L. 108-199, Division D (the Act)), and transfers of funds to other federal agencies pursuant to Section 619 of that Act. The following report shall be made available to the public by means of publication in the **Federal Register** and on the Internet Web site of the MCC (www.mcc.gov) in accordance with Section 612(b) of the Act.

ASSISTANCE PROVIDED UNDER SECTION 605

| Projects | Obligated | Objectives | Quarterly disbursements | Measures |
|---|--------------|--|-------------------------|--|
| Country: Madagascar | | Year: 2006 | Quarter 3 | Total obligation: \$109,733,000 |
| Entity to which the assistance is provided: MCA Madagascar | | Total Quarterly disbursement: \$5,392,000 | | |
| Land Tenure Project | \$37,803,000 | Increase Land Titling and Security. | \$5,392,000 | Legislative proposal ("loin de cadrage") reflecting the PNF submitted to Parliament and passed. Percentage of land documents inventoried, restored, and/or digitized. Average time and cost required to carry out property-related transactions at the local and/or national land services offices. Time/cost to respond to information request, issue titles and to modify titles after the first land right. Number of land disputes reported and resolved in the target zones and sites of implementation. Percentage of land in the zones that is demarcated and ready for titling. Promote knowledge and awareness of land tenure reforms among inhabitants in the zones (surveys). |
| Finance Project | \$35,888,000 | Increase Competition in the Financial Sector. | \$0 | Submission to Parliament and passage of new laws recommended by outside experts and relevant commissions. CPA Association (CSC) list of accountants registered. Maximum check clearing delay. Volume of funds in payment system and number of transactions. Public awareness of new financial instruments (surveys). Report of credit and payment information to a central database. Number of holders of new denomination T-bill holdings, and T-bill issuance outside Antananarivo as measured by Central Bank report of redemption date. Volume of production covered by warehouse receipts in the zones. Volume of MFI lending in the zones. MFI portfolio-at-risk delinquency rate. Number of new bank accounts in the zones. |
| Agricultural Business Investment Project. | \$17,683,000 | Improve Agricultural Production Technologies and Market Capacity in Rural Areas. | \$0 | Number of rural producers receiving or soliciting information from ABCs about the opportunities. Zones identified and description of beneficiaries within each zone submitted. Number of cost-effective investment strategies developed. Number of plans prepared. Number of farmers and business employing technical assistance received. |
| Program Administration* and Control, Monitoring and Evaluation. | \$18,399,000 | | \$0 | |

| Projects | Obligated | Objective | Disbursements | Measures |
|--|---------------|---|-------------------------|--|
| Country: Honduras Year: 2006 Quarter 3 Total obligation: \$215,000,000 Entity to which the assistance is provided: MCA-Honduras Total Quarterly disbursement: \$0 | | | | |
| Rural Development Project | \$72,195,000 | Increase the productivity and business skills of farmers who operate small and medium-size farms and their employees. | \$0 | Hours of technical assistance delivered to Program Farmers (thousands). Funds lent by MCA-Honduras to financial institutions (cumulative). Hours of technical assistance to financial institutions (cumulative). Lien Registry equipment installed. |
| Transportation Project | \$125,700,000 | Reduce transportation costs between targeted production centers and national, regional and global markets. | \$0 | Kilometers of farm-to-market road upgraded (cumulative). Kilometers of highway upgraded. Kilometers of secondary road upgraded. Number of weight stations built. |
| Program Administration* and Control, Monitoring and Evaluation. | \$17,105,000 | | \$0 | |
| Projects | Obligated | Objectives | Quarterly Disbursements | Measures |

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|--|--------------|--|-------------------------|---|
| Country: Cape Verde Year: 2006 Quarter 3 Total obligation: \$110,078,000 Entity to which the assistance is provided: MCA Cape Verde Total Quarterly disbursement: \$0 | | | | |
| Watershed and Agricultural Support. | \$10,848,000 | Increase agricultural production in three targeted watershed areas on three islands. | \$0 | Productivity: Horticulture (tons per hectare). Value-added for farms and agribusiness (millions of dollars). |
| Infrastructure Improvement | \$78,760,000 | Increase integration of the internal market and reduce transportation costs. | \$0 | Volume of goods shipped between Praia and other islands (tons). Mobility Ratio: Percentage of beneficiary population who take at least 5 trips per month. Savings on transport costs from improvements (million dollars). |
| Private Sector Development ... | \$7,200,000 | Spur private sector development on all islands through increased investment in the priority sectors and through financial sector reform. | \$0 | Value added in priority sectors above current trends (escudos). Volume of private investment in priority sectors above current trends. |
| Program Administration* and Control, Monitoring and Evaluation. | \$13,270,000 | | \$0 | |
| Projects | Obligated | Objective | Disbursements | Measures |

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|--|--------------|--|---------------|---|
| Country: Nicaragua Year: 2006 Quarter 3 Total obligation: \$174,925,000 Entity to which the assistance is provided: MCA Nicaragua Total Quarterly disbursement: \$1,483,000 | | | | |
| Property Regularization Project. | \$26,400,000 | Increase investment by strengthening property rights. | \$99,000 | Automated registry-cadastre database installed. Number of parcels with a registered title, rural and urban (total of 21,000 and 22,000, rural and urban, respectively). Projected areas demarcated. Number of projected area management plans implemented. Number of conflicts resolved by program mediation. |
| Transportation Project | \$92,800,000 | Reduce transportation costs between Leon and Chinandega and national, regional and global markets. | \$0 | N-1 Road: Kilometers of roads upgraded. Secondary Roads: Kilometers of secondary road upgraded. |
| Rural Business Development Project. | \$33,500,000 | Increase the value added of farms and enterprises in the region. | \$307,000 | Rural business development centers: Value of TA and support services delivered to program businesses. Improvement of water supply for farming and forest production: Watershed Management Action Plan. Funds disbursed for improvement of water supply for farming and forest production projects. |

| Projects | Obligated | Objective | Disbursements | Measures |
|---|-----------------------------|---|---|--|
| Program Administration,* Due Diligence, Monitoring and Evaluation. | \$22,225,000 | | \$1,077,000 | |
| Projects | Obligated | Objective | Disbursements | Measures |
| Country: Georgia Year: 2006 Quarter 3 | | Total obligation: \$294,693,000 | | |
| Entity to which the assistance is provided: MCA Georgia | | Total Quarterly disbursement: \$3,603,000 | | |
| Regional Infrastructure Rehabilitation. | \$211,700,000 | Key Regional Infrastructure Rehabilitated. | \$1,379,000 | Reduction in journey time: Akhalkalaki-Ninotsminda-Teleti (hours). Reduction in vehicle operating costs (cumulative). Increase in internal regional traffic volumes (cumulative). Decreased technical losses. Reduction in the production of greenhouse gas emissions measured in tons of CO ₂ equivalent. Increase in collection rate of GGIC. Number of household beneficiaries served by RID projects (cumulative). Actual operations and maintenance expenditures (USD). |
| Regional Enterprise Development. | \$47,500,000 | Enterprises in Regions Developed. | \$346,000 | Increase in annual revenue in portfolio companies (in 1,000 USD). Increase in number of portfolio company employees and number of local suppliers. Increase in portfolio companies' wages and payments to local suppliers (in 1,000 USD). Jobs created. Increase in aggregate incremental net revenue to project assisted firms (in 1,000 USD and cumulative over five years). Direct household net income (in 1,000 USD cumulative over five years). Direct household net income for market information initiative beneficiaries (in 1,000 USD cumulative over five years). Number of beneficiaries. |
| Program Administration,* Due Diligence, Monitoring and Evaluation. | \$35,493,000 | | \$1,878,000 | |
| Projects | Obligated | Objective | Disbursements | Measures |
| Country: Vanuatu Year: 2006 Quarter 3 | | Total obligation: \$65,690,000 | | |
| Entity to which the assistance is provided: MCA Vanuatu | | Total Quarterly disbursement: \$1,127,000 | | |
| Transportation Infrastructure Project. | \$60,690,000 | Facilitate transportation to increase tourism and business development. | \$0 | Traffic volume (average annual daily traffic). Days road is closed (number per annum). Number of S-W Bay, Malekula flights cancelled due to flooding (per annum). Time of wharf (hours/vessel). |
| Program Administration,* Due Diligence, Monitoring and Evaluation. | \$5,000,000 | | \$1,127,000 | |
| *Program administration funds are used to pay items such as salaries, rent, and the cost of office equipment. | | | | |
| 619 Transfer funds—U.S. Agency to which funds were transferred | Amount | Country | Description of program or project | |
| USAID | \$20,000,000 FY04 funding. | Threshold Countries. | Implementation of Threshold Country Plan. | |
| USAID | \$135,000,000 FY05 funding. | Threshold Countries. | Implementation of Threshold Country Plan. | |

Dated: July 25, 2006.

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*Vice President, Congressional and Public
Affairs, Millennium Challenge Corporation.*

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