



**MILLENNIUM**  
CHALLENGE CORPORATION  
UNITED STATES OF AMERICA

March 27, 2009

Bernard Mchomvu  
Chief Executive Officer  
Millennium Challenge Account-Tanzania  
Kivukoni Front/Ohio Street  
P.O. Box 8327  
Dar es Salaam  
United Republic of Tanzania

**Re: MCC Extended Quarter Compact Initial Disbursement Request and Quarterly Reports for the Period from February 1 – June 30, 2009.**

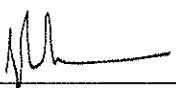
Dear Mr. Mchomvu:

This letter is in response to the MCC Compact Initial Disbursement Request and quarterly reports submitted by Millennium Challenge Account-Tanzania (“*MCA-T*”) on March 6, 2009, pursuant to the Program Implementation Agreement, dated September 5, 2008, among MCC, MCA-T, and the Government of Tanzania. Capitalized terms that are not defined in this letter have the meanings given to such terms in the Program Implementation Agreement.

1. MCC Disbursement. MCA-T has requested MCC approval of the authority to request disbursements of up to \$4,640,413. MCC has approved this disbursement authority of up to \$4,640,413.
2. Approval of Reports. MCC approves the following reports submitted by MCA-T:
  - a. quarterly financial report and Detailed Financial Plan;
  - b. procurement performance report dated March 25, 2009 that shows cumulative procurement performance since March 25, 2009; and
  - c. conditions precedent report submitted March 20, 2009.
3. Conditions Precedent. Pursuant to Section 3.1(b) of the Program Implementation Agreement, MCA-T has fulfilled the conditions precedent to this disbursement of Compact Funding.
4. M&E Plan. MCA-Tanzania has not yet adopted an M&E Plan in form and substance satisfactory to MCC as provided in Section 2.2 of the Program Implementation Agreement. MCC requests that MCA-Tanzania adopt an M&E Plan, in form and substance satisfactory to MCC by April 15, 2009.

Sincerely,

MILLENNIUM CHALLENGE CORPORATION

By:   
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Jonathan Bloom  
Deputy Vice President  
Department of Compact Implementation

Cc: Ramadhani Khijjah, Permanent Secretary, Ministry of Finance and Economic Affairs  
Karl Fickenscher, Resident Country Director