



Millennium Challenge Corporation

Reducing Poverty Through Growth

PRESS RELEASE

Media Contact:
Kathleen Harrington
703-875-7318

For Immediate Release
May 6, 2004

The Millennium Challenge Corporation Names MCA Eligible Countries

Washington, DC – Today, the Board of Directors of the Millennium Challenge Corporation (MCC) selected the 16 countries eligible to apply for Millennium Challenge Account (MCA) assistance in FY04. MCC, a newly created government corporation designed to work with some of the poorest countries in the world, is based on the principle that aid is most effective when it reinforces sound political, economic, and social policies that promote economic growth.

“This is a historic day for the Millennium Challenge Corporation,” said Secretary of State, Colin L. Powell, Chair of the MCC Board. “The President’s vision has come to pass, and today’s decision by the Board of Directors is a major step in implementing the vision of the MCC.”

The selected countries include: Armenia, Benin, Bolivia, Cape Verde, Georgia, Ghana, Honduras, Lesotho, Madagascar, Mali, Mongolia, Mozambique, Nicaragua, Senegal, Sri Lanka and Vanuatu. In making its determinations, the Board considered both the past and current policy performance of the candidate countries in the areas of governing justly, investing in their own people and promoting economic freedom. The Board also considered trends that indicated policy improvement or slippage.

“Our mission – encouraging and rewarding good policies that produce sustainable economic growth – holds profound implications for freedom and security across the globe,” MCC CEO Paul Applegarth said today. “Today’s decision demonstrates the clear commitment of the U.S. to reducing poverty and human suffering.”

The Board also approved a “Threshold Country” program, which will be directed toward a limited number of candidate countries that have not met the requirements for MCA eligibility but demonstrate a significant commitment to meeting the requirements for eligibility. The Threshold Country program will provide an added incentive to countries that are committed to reform, and will be used to assist such countries in making further progress towards becoming eligible for MCA assistance in future years. MCC expects to work closely with USAID in this effort.

The United States is committed to the MCC as an innovative approach to delivering foreign aid. Congress has appropriated \$1 billion for the MCC for this fiscal year, and President Bush has requested \$2.5 billion for FY05.

###