



MCC at Four: Foreword. Fourward. Forward.

MCC Demonstrating Results in Reducing Poverty through Growth

Foreword

Established in 2004, MCC launched a new way of awarding foreign assistance. Country engagement and compact development defined MCC in its early stage.

On January 23, 2004, the Millennium Challenge Corporation (MCC), a new U.S. government corporation, was established to administer the Millennium Challenge Account (MCA). The MCA is an innovative addition to U.S. development assistance, based on the concept of rewarding countries that have a demonstrated commitment to implement political, social and economic reforms. The MCA provides significant grant assistance to partner countries to support the development of country-led programs that will reduce poverty through sustainable economic growth.

Fourward

At year four, the vision for innovative development assistance is now the practice at MCC and a tangible reality on the ground in partner countries. MCC has committed nearly \$5.9 billion in Compact and Threshold assistance.

- In just four years, MCC has approved \$5.5 billion in Compact assistance to 16 partner countries: Madagascar, Cape Verde, Honduras, Nicaragua, Georgia, Armenia, Vanuatu, Benin, Ghana, Mali, El Salvador, Mozambique, Lesotho, Morocco, Mongolia and Tanzania. These compacts are sophisticated agreements for large-scale infrastructure, agriculture, and human capital improvement projects.
- MCC's innovative Threshold Program is designed to assist countries that are on the "threshold" of Compact eligibility. The programs provide specialized assistance in the three areas where policy improvements are needed. To date, MCC has signed nearly \$325 million in Threshold assistance in 15 countries: Albania, Burkina Faso, Guyana, Indonesia, Jordan, Kenya, Malawi, Moldova, Paraguay, Philippines, São Tomé and Príncipe, Tanzania, Uganda, Ukraine, and Zambia.

Forward

Looking ahead, three key priorities will define MCC's work: implementation, empowerment, and results.

The implementation of multi-year Compacts and Threshold Programs in MCC partner countries are producing positive results and improving the lives of beneficiaries.

- In Madagascar, more than 876,000 documents have been inventoried to enable better land use. The agricultural project is providing technical training and small business skills to over 6,400 farmers.
- In Armenia, more than 2,450 participants have been trained in on-farm water management to increase agricultural production, of which almost a quarter are women farmers.
- In Georgia, the first round of emergency repairs to the North-South Gas Pipeline have been completed, improving the long term security and diversification of the country's natural gas supply and providing Georgian citizens and businesses with electricity and heating. In addition, grants totaling \$1.1 million to 34 new or expanding agribusinesses are helping them improve technologies and access markets. These agribusinesses will employ about 400 people and do business with 22,000 customers and suppliers.
- In Nicaragua, more than 500 beneficiaries have already received or are in the process of receiving property titles, out of a total of 43,000 property titles to be delivered.
- Burkina Faso's threshold program opened 132 new "girl-friendly" school complexes. Over 18,000 children—half of whom are girls—are attending school who would not have been able to otherwise. Over 250 literacy centers are open, and thousands have received literacy training.
- Malawi's threshold program supports ongoing anticorruption efforts, expands the work of civil society groups, and strengthens independent media coverage, including training 45 journalists in investigative journalism. Anti-money laundering legislation has been passed. A Financial Intelligence Unit has been created to investigate financial crimes. These efforts helped Malawi improve its performance on the control of corruption indicator—from the 40th percentile in fiscal year 2005 to the 54th percentile in fiscal year 2008—now making the country compact-eligible.
- Jordan's threshold program strengthens municipal governance by expanding the participation of its citizens, including women, in local elections and local government. Under the new municipalities law, 20 percent of municipal council seats are reserved for women. In the last elections, female candidates exceeded this quota and won 238 seats.
- With Congressional support and the generosity of the American people, MCC is achieving its mission and creating hope and opportunity for millions of people around the globe. MCC's work is a concrete demonstration of constructive U.S. engagement in some of the world's poorest countries where economic progress and policy improvements are most urgent.

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Millennium Challenge Corporation, a U.S. government corporation designed to work with developing countries, is based on the principle that aid is most effective when it reinforces sound political, economic, and social policies that promote poverty reduction through economic growth. For more about MCC, visit www.mcc.gov.