



MCC Adopts Two New Measurements: Natural Resource Management and Land Rights and Access

The Millennium Challenge Corporation evaluates country performance in a variety of specific policy areas through the use of objective and quantifiable indicators. These indicators now include a country's demonstrated commitment to policies that promote the sustainable management of natural resources.

MCC conducted a public search and an extensive consultative process to identify an indicator that would meet its criteria for an eligibility indicator and satisfy its legislative mandate.

The Indicators

MCC has identified two measures to be utilized in the annual MCC selection process: a Natural Resource Management Index from Columbia University's Center for International Earth Science Information Network (CIESIN) and the Yale Center for Environmental Law and Policy, and a Land Rights and Access Index which includes an indicator from the International Fund for Agricultural Development (IFAD) and two indicators from the International Finance Corporation (IFC). In order to give countries notice of the new measures, MCC used these indicators as supplemental information during last year's selection process and is now formally integrating them into the MCC Scorecard. The Natural Resource Management Index will be included in the Investing in People category and the Land Rights and Access Index will be placed in the Economic Freedom category in MCC's scorecard.

The "Natural Resource Management" Index includes the following indicators:

- *Eco-region Protection*: this indicator assesses whether a country is protecting at least 10% of all of its biomes (e.g. deserts, forests, grasslands, aquatic, and tundra.). It is designed to capture the comprehensiveness of a government's commitment to habitat preservation and biodiversity protection.
- *Access to Improved Water*: This indicator measures the percentage of the population with access to at least 20 liters of water per person per day from an "improved" source (household connections, public standpipes, boreholes, protected dug wells, protected springs, and rainwater collection) within one kilometer of the user's dwelling.

- *Access to Improved Sanitation:* This indicator measures the percentage of the population with access to facilities that hygienically separate human excreta from human, animal and insect contact.
- *Child Mortality (Ages 1-4):* This indicator measures the probability of a child dying between the ages of 1 and 4. Because the causes of mortality among 1-4 year olds are predominantly environmental, this indicator is considered to be an excellent proxy for underlying environmental conditions.

The “Land Rights and Access” Index includes the following indicators:

- *Access to Land:* This indicator assesses the extent to which the institutional, legal and market framework provides secure land tenure and equitable access to land in rural areas. It is made up of five subcomponents:
 - the extent to which the law guarantees secure tenure for land rights of the poor;
 - the extent to which the law guarantees secure land rights for women and other vulnerable groups;
 - the extent to which land is titled and registered;
 - the functioning of land markets; and
 - the extent to which government policies contribute to the sustainable management of common property resources.
- *Days to Register Property:* This indicator measures how long it takes to register property in the capital city. The IFC records the full amount of time necessary from purchase to actual transfer of the property title from the seller to the buyer.
- *Cost of Registering Property:* This indicator measures the cost to register property as a percentage of the value of the property in the capital city. The IFC records all of the costs incurred to transfer the property title from the seller to the buyer after purchase of land and/or a building,

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Millennium Challenge Corporation is a U.S. government agency 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 good governance, economic freedom, and investments in people that promote economic growth and elimination of extreme poverty.