

MCC at a Glance

What is MCC?

The Millennium Challenge Corporation (MCC) is an innovative and independent U.S. foreign aid agency that is **helping lead the fight against global poverty**. Created by Congress in January 2004 with strong bipartisan support, MCC is **changing the conversation on how best to deliver U.S. foreign assistance** by focusing on **good policies, country ownership, and results**.

MCC is “smart and strategic foreign aid that can earn back the U.S. public’s confidence in our ability to make a meaningful and compassionate response to the world poverty crisis.”

—*Indianapolis Star*
June 16, 2008

MCC forms partnerships with some of the world’s **poorest countries**, but only those committed to

- ★ good governance,
- ★ economic freedom,
- ★ and investments in their citizens.

MCC provides these well-performing countries with large-scale grants to fund country-led solutions for **reducing poverty through sustainable economic growth**. MCC grants complement other U.S. and international development programs.

There are two primary types of MCC grants: **compacts** and **threshold programs**.

- ★ **Compacts** are large, five-year grants for countries that *pass* MCC’s eligibility criteria.
- ★ **Threshold programs** are smaller grants awarded to countries that come *close to passing* these criteria and are firmly committed to improving their policy performance.

MCC is managed by a chief executive officer, who is part of the nine-member board of directors. The Secretary of State, the Secretary of the Treasury, the U.S. Trade Representative, and the USAID Administrator serve on the board along with four private sector representatives.

\$6.3 Billion
in Poverty
Reduction
Compacts

Compact Countries

- Armenia
- Benin
- Burkina Faso
- Cape Verde
- El Salvador
- Georgia
- Ghana
- Honduras
- Lesotho
- Madagascar
- Mali
- Mongolia
- Morocco
- Mozambique
- Namibia
- Nicaragua
- Tanzania
- Vanuatu

What is distinctive about MCC?

MCC is a prime example of *smart U.S. Government assistance* in action, benefitting both developing countries and U.S. taxpayers through:

- ★ **Competitive selection:** Before a country can become eligible to receive assistance, MCC's Board examines its performance on 17 independent and transparent policy indicators and selects compact-eligible countries based on policy performance.
- ★ **Country-led solutions:** MCC requires selected countries themselves to identify their priorities for achieving sustainable economic growth and poverty reduction. Countries develop their MCC proposals in broad consultation within their society. MCC teams then work in close partnership to help countries refine a program.
- ★ **Country-led implementation:** MCC administers the *Millennium Challenge Account* (MCA). When a country is awarded a compact, it sets up its own local *MCA accountable entity* to manage and oversee all aspects of implementation. Monitoring of funds is rigorous and transparent, often through independent fiscal agents.

What is MCC achieving?

MCC has approved over **\$6.7 billion in compact and threshold programs** worldwide that support such country-determined sectors as:

- ★ agriculture and irrigation,
- ★ transportation (roads, bridges, ports),
- ★ water supply and sanitation,
- ★ access to health,
- ★ finance and enterprise development,
- ★ anticorruption initiatives,
- ★ land rights and access,
- ★ access to education.

The aggressive implementation of compacts and threshold programs is promoting growth opportunities, opening markets, raising the standard of living, and creating a more prosperous future for some of the world's poorest people:

- ★ More than **48,000 farmers** have been trained and more than **3,000 hectares of land** are under production.
- ★ More than **3,000 kilometers of roads** are under design, and road construction is underway.
- ★ More than **600 kilometers of irrigation canals** are being built.
- ★ Emergency repairs to Georgia's **gas pipeline** are already benefiting citizens.

**\$440
Million
in Poverty
Reduction
Threshold
Programs**

Threshold Programs

- Albania
- Burkina Faso
- Guyana
- Indonesia
- Jordan
- Kenya
- Kyrgyz Republic
- Malawi
- Moldova
- Niger
- Paraguay
- Peru
- Philippines
- Rwanda
- Saõ Tomé and Príncipe
- Tanzania
- Uganda
- Ukraine
- Zambia