



# Millennium Challenge Corporation

Reducing Poverty Through Growth

## PRESS RELEASE

2004/111

For Immediate Release  
November 8, 2004

### **Millennium Challenge Corporation Names Fiscal Year 2005 Eligible Countries**

Washington, D.C. – Today the Board of Directors of the Millennium Challenge Corporation (MCC) selected 16 countries as eligible to apply for Millennium Challenge Account (MCA) assistance in FY 2005, and 12 countries to apply for Threshold Program funding.

In summarizing today's meeting, Secretary of State and MCC Chairman Colin Powell discussed how MCC fits into the United States' security framework. "Let me underscore that the global and regional security challenges that we face today require us to be creative in the way we handle these issues, and to look for innovative solutions to address them, and MCC is one of those innovative solutions."

This year's MCA eligible countries are: Armenia, Benin, Bolivia, Georgia, Ghana, Honduras, Lesotho, Madagascar, Mali, Mongolia, Morocco, Mozambique, Nicaragua, Senegal, Sri Lanka, and Vanuatu. Morocco is eligible for the first time, while the remainder were also selected in Fiscal Year 2004. In making its determinations, the Board considered both past and current policy performance of the candidate countries in the areas of just and democratic governance, economic freedom and investing in the health and education of their people. The Board also considered trends that indicated policy improvements or slippage. This year's candidate pool included 68 countries, each with a per capita income of \$1465 or less.

Once determined eligible, a country is invited to submit a proposal for assistance, which MCC will evaluate based on its potential to improve economic growth and reduce poverty, the quality of the consultative process that guided the development of the proposal, and the country's commitment to continued policy improvement. MCC is currently assessing fourteen proposals and concept papers from countries that were eligible in Fiscal Year 2004.

"The Millennium Challenge Account is about bringing the best of America to our relationship with the world," CEO Paul Applegarth said today. "The countries MCC has selected are being recognized for their hard work in putting into action the kinds of policies that will best meet the needs of their people, and we look forward to building partnerships with those countries that have developed a solid plan of action for reducing poverty and fueling economic growth."

The countries that are eligible for first time in the Fiscal Year 2005 Threshold Program are: Burkina Faso, Guyana, Malawi, Paraguay, Philippines, and Zambia. In addition, the Board named 6 countries that also qualified for the Fiscal Year 2004 Threshold program. Threshold countries are countries that do not qualify for Millennium Challenge Account assistance but have demonstrated a commitment to meeting the eligibility requirements for MCA assistance in the future. These countries will be invited to submit proposals for funding to improve their performance on the MCC selection criteria. MCC, in coordination with USAID, will review the proposals.

For more information, please contact Mary Swann, Director of Communications, Millennium Challenge Corporation on (202) 521-3857.

*Millennium Challenge Corporation (MCC), a U.S. 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 poverty reduction through economic growth.*

###