

Zambia and The MCC

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This month, the Millennium Challenge Corporation, or MCC, selected Zambia as one of only 3 African countries newly eligible for large-scale funding under the Millennium Challenge Account or MCA.

The Millennium Challenge Corporation is a United States Government corporation designed to work with some of the poorest countries in the world. Established in January 2004, MCC is based on the principle that aid is most effective when it reinforces good governance, economic freedom and investments in people.

Before a country can become eligible to receive assistance, MCC looks at their performance on independent and transparent policy indicators. MCC selects eligible countries for Compact Assistance. This year, Zambia passed 16 of 17 MCA eligibility indicators, including the crucial control of corruption indicator.

Zambia's selection was hailed by U.S. Embassy Deputy Chief of Mission, Michael Koplovsky, as an unprecedented opportunity for the Zambian government to undertake a concerted effort to reduce poverty in ways that align with Zambia's 5th National Development Plan. "With this announcement," said Mr. Koplovsky, "the MCC has formally recognized the Government of Zambia's commitment to invest in its people through education and health care, and its commitment to free markets, facilitating business, good governance, and fighting corruption."

Zambia's selection makes it eligible to negotiate an MCC compact with the MCC. Becoming "compact eligible" is a huge milestone but, as Deputy Chief of Mission Koplovsky pointed out, there is still much work to be done before Zambia can receive an MCA grant. "Zambia has successfully managed the road leading to eligibility," he said, "but this announcement represents a new road that is just beginning."

From mid-2006 until 2008, the Government of Zambia participated in a two-year long \$22.7 million MCC Threshold Program that focused on facilitating business registration, countering corruption and improving border management to help Zambia meet the eligibility criteria. In June, Zambia successfully completed the program.

In congratulating Zambia on compact eligibility, MCC Chief Executive Officer Ambassador John Danilovich said, "Your commitment to good governance and dedication to promoting economic freedom and investing in your people has placed you among a select group of countries working diligently to reduce global poverty through sustainable economic solutions."