



# MCC in the Americas: Partnerships for Economic Growth

## MCC Compacts



### El Salvador

The \$461 million El Salvador Compact seeks to improve the lives of Salvadorans through strategic investments in education, public services, enterprise development, and transportation infrastructure. The compact's Human Development Project is designed to increase employment opportunities for the region's poorest inhabitants and provide greater access to safe water and sanitation services. The compact will be completed in September 2012; MCC's Board of Directors has selected El Salvador as eligible to develop a proposal for a second compact.

#### Fast Facts on MCC in the Americas:

- MCC has signed three compacts with Latin American countries: El Salvador, Honduras, and Nicaragua. These total over \$850 million.
- MCC has signed threshold agreements with Guyana, Paraguay and Peru. These total over \$77 million.



### Honduras

The \$215 million Honduras Compact sought to reduce poverty by increasing farmer productivity and entrepreneurship, and by reducing transportation costs between targeted production centers and national, regional and global markets. In September 2009, MCC's Board of Directors partially terminated the Honduras Compact as a result of Government of Honduras actions inconsistent with MCC's eligibility criteria. The compact was completed in September 2010; MCC's Board of Directors selected Honduras as eligible to develop an MCC Threshold Program.



## Nicaragua

The \$175 million Nicaragua Compact was designed to support those living in the Leon and Chinandega region by significantly increasing incomes of rural farmers and entrepreneurs. The compact sought to reduce transportation costs, improve access to markets, strengthen property rights, increase investment, and raise incomes for farms and rural businesses. In June 2009, the MCC Board of Directors partially terminated the Nicaragua Compact as a result of political conditions in Nicaragua inconsistent with MCC's eligibility criteria. The compact was completed in May 2011.

## MCC Threshold Programs



## Guyana

Guyana's \$6.7 million Threshold Program sought to improve Guyana's fiscal policies and create a more business-friendly environment. The grant helped the Government of Guyana implement a new value-added tax system and develop ways to assist and educate taxpayers, while better planning and controlling spending. The program was designed to reduce the number of days and costs to start a business by modernizing and streamlining the business registration process. The Guyana Threshold Program is completed.



## Paraguay

Paraguay's \$37 million Threshold Program was focused on reducing corruption. The program sought to strengthen the rule of law by increasing penalties for corruption and building a transparent business environment. Additionally, the Threshold Program included a business development component aimed at reducing the number of days necessary to start a business. In April 2009, MCC signed a second, or Stage II, Threshold Program with Paraguay.



## Peru

Peru's \$35.6 million Threshold Program sought to increase immunization rates of children in rural areas against diseases like measles, diphtheria, pertussis and tetanus in eight targeted regions, and assist Peru's Ministry of Health in strengthening information and vaccination management systems. The program also helped Peru combat corruption by working with the government and civil society organizations to improve internal controls, as well as analyze and simplify administrative processes to reduce opportunities for corruption. The Peru Threshold Program is completed.