MILLENNIUM CHALLENGE CORPORATION

MINIMUM REQUIREMENT FY 2021

$925 MILLION

FY 2020 President's Request: $800 Million
FY 2020 Enacted: $905 Million

WHAT IS THE MILLENNIUM CHALLENGE CORPORATION?

Created by Congress in 2004, the Millennium Challenge Corporation (MCC) partners with the world's poorest countries to tackle the most pressing development challenges. It uses multiyear agreements to invest in projects that create jobs and expand markets, promote growth through infrastructure, and lay the groundwork for healthy communities. MCC focuses on economic growth—ensuring that U.S. investments have a significant impact on poverty reduction.

WHAT DOES IT BUY?

MCC investments include compacts and threshold programs. Compacts are large, five-year grants for selected countries that meet MCC's eligibility criteria. Threshold programs are smaller grants focused on policy and institutional reform in countries that come close to passing MCC's eligibility criteria and show a firm commitment to improving their policy performance.

WHY IS IT IMPORTANT?

- MCC has invested more than $13 billion in compact and threshold programs that support country-led projects in areas such as agriculture, anti-corruption, education, energy, health, land rights, transportation infrastructure, water supply, and sanitation.
- In December 2019, the MCC board announced a new compact partnership with Mozambique and a new threshold partnership with Kenya. The board reselected Burkina Faso, Indonesia, Lesotho, Malawi, Timor-Leste, and Tunisia to continue developing bilateral compacts.
- Countries undergo competitive selection, wherein sound economic and social policies and democratic governance play a significant role in ensuring that inclusive economic growth reaches the poorest people.
- MCC works closely with partner country governments to help them refine their programs, which are developed in broad consultation with civil society and the private sector. This creates sustainability and self-sufficiency that continue long after U.S. investment ends.

WHY SHOULD AMERICANS CARE?

- MCC investments build a more stable world, expand markets, and increase the capacity of partner governments.
- Cutting investments could drive countries to seek out alternative loans that are allegedly low-cost from countries such as China. These loans rarely come as advertised and could prevent developing countries from promoting more inclusive and democratic societies—harming the poorest and most vulnerable and diminishing U.S. leadership in the world.

LOOKING TO THE FUTURE

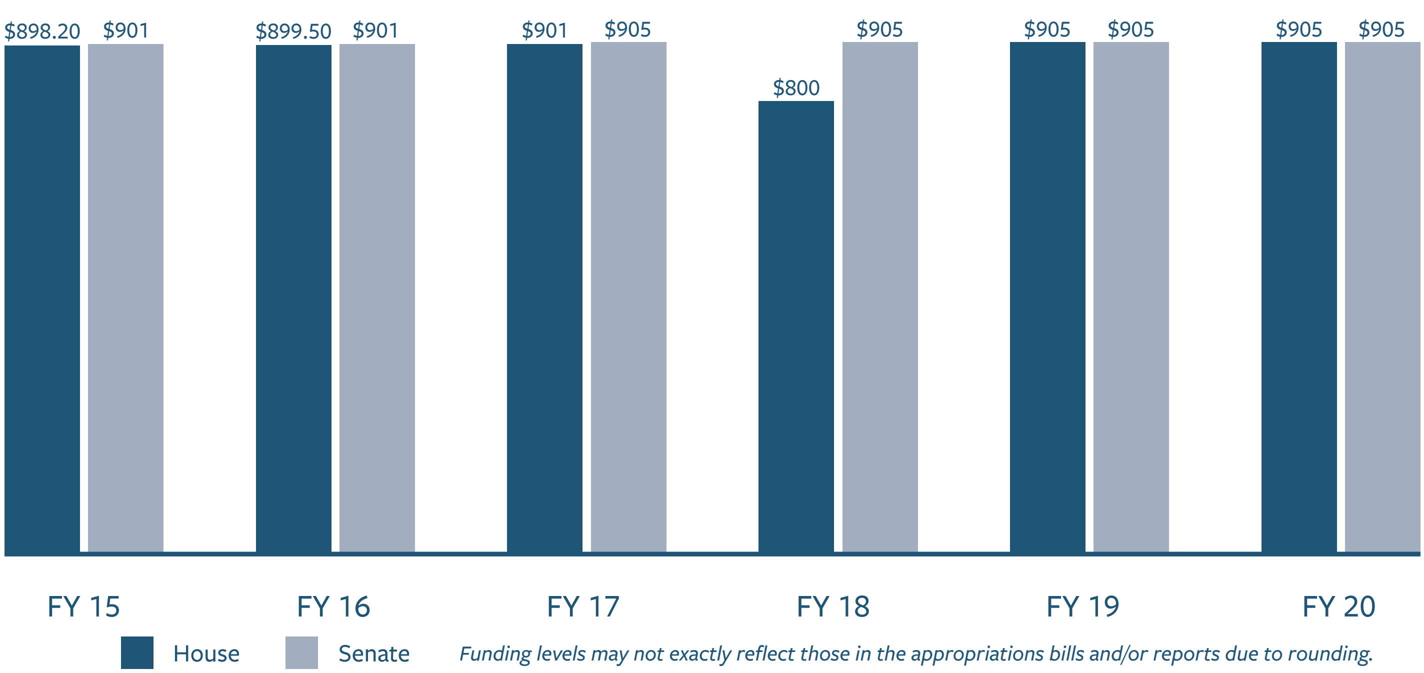
TITLE III – Millennium Challenge Corporation

WHAT MORE COULD BE DONE?

- Coordinated investments across multiple countries could help connect power, transport, and water networks, reducing costs, improving service, facilitating trade, and generating new market opportunities for U.S. businesses.
- U.S. investment would help expand programs that support women's entrepreneurship, access to finance, workforce development, and skills training. MCC identifies and addresses gender-based barriers throughout its work—from the initial country selection and assessment to the development and design of programs, and the monitoring of results and evaluation of impacts.
- Additional investment could help MCC capitalize on blended finance strategies and continue to create enabling environments for private investment through critical policy reforms and institutional capacity building.

6 YEAR FUNDING HISTORY

(In millions)



Funding levels may not exactly reflect those in the appropriations bills and/or reports due to rounding.