

TITLE III

Millennium Challenge Corporation

Minimum Requirement F.Y. 2022

\$957.6 million

F.Y. 2021 Enacted

\$912 million

MCC focuses on economic growth—ensuring that **U.S. investments have a significant impact** on poverty reduction.

DESCRIPTION

The Millennium Challenge Corporation (MCC) partners with the world's poorest countries to tackle the most pressing development challenges. It uses multi-year agreements to invest in projects that create jobs, expand markets, promote growth, and lay the groundwork for healthy communities.

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?

- For the past 15 years, MCC has invested more than **\$13 billion** in compact and threshold programs across 29 partner countries, supporting country-led projects in agriculture, anti-corruption, education, energy, health, land rights, transportation, infrastructure, water supply, and sanitation.
- Countries undergo competitive selection, where sound economic and social policies and democratic governance play a significant role in ensuring that inclusive economic growth reaches the poorest people.
- MCC ranked **first** among federal agencies on the 2020 Aid Transparency Index and number **one** on Results for America's Invest in What Works Federal Standards of Excellence.
- In December 2020, the MCC board selected Sierra Leone for a new compact, Kiribati for a threshold program, and approved a **\$23 million** threshold program with the Solomon Islands focused on addressing the country's biggest constraints to economic growth: management of natural resources in the logging sector and insecure access to land which limits tourism investment.

- MCC launched **two new** blended finance initiatives—the American Catalyst Facility for Development with the U.S. International Development Finance Corporation and Millennium Impact for Infrastructure Accelerator, a global investment platform with Africa50.

WHY SHOULD AMERICANS CARE?

- MCC investments build a more stable world, expand markets, and increase the capacity of partner governments.
- MCC investments could help prevent countries from seeking out alternative loans that appear 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.

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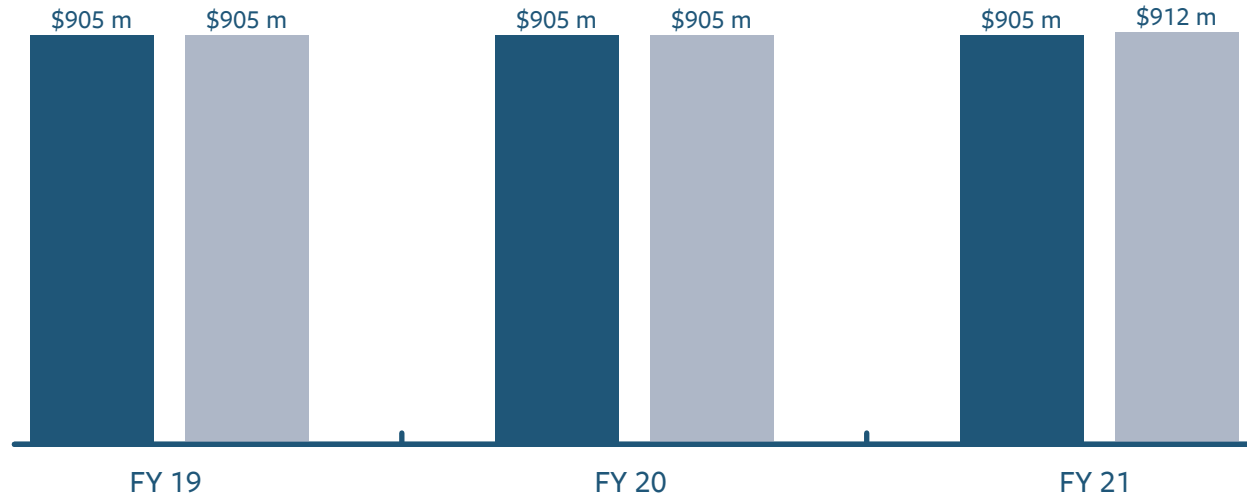
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WHAT MORE COULD BE DONE?

- Additional investment could help MCC capitalize on blended finance strategies and continue creating enabling environments for private investment through critical policy reforms and institutional capacity building.
- 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.

FUNDING HISTORY



■ House ■ Senate

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

