

MCC Board of Directors Selects New Bilateral Compacts, Threshold Programs, Eligible Countries for Concurrent Compacts

WASHINGTON, D.C., December 12, 2018 – At its quarterly meeting, the U.S. Government’s Millennium Challenge Corporation (MCC) Board of Directors met to select countries eligible for MCC assistance, which is designed to spur economic growth and reduce poverty.

The Board selected Indonesia, Malawi and Kosovo for bilateral compacts – MCC’s five-year grant program. The Board also selected Ethiopia and Solomon Islands for MCC threshold programs – the agency’s smaller grant program focused on policy and institutional reform.

This year, for the first time, MCC’s Board directed the agency to exercise its new authority under the AGOA and MCA Modernization Act by selecting countries as eligible to develop concurrent compacts for regional investments.

“I am pleased to announce new MCC compact partnerships with Indonesia, Malawi, and Kosovo, and new threshold partnerships with Ethiopia and Solomon Islands,” **MCC Chief Operating Officer and Head of Agency Jonathan Nash** said. “The Board also directed MCC to explore regional investment opportunities in five of its current compact partners in West Africa.”

MCC was created in 2004 as a new and different model of development assistance – one focused on reducing poverty through economic growth. Built on the lessons of decades of development experience, MCC provides time-limited grants to developing countries that meet rigorous standards for good governance, from fighting corruption to respecting democratic rights, as evaluated [on MCC’s scorecard](#). MCC takes a business-like approach, with bedrock commitments to data, accountability, and evidence-based decisions. MCC’s investments are improving the lives of millions of people around the world.

Indonesia

MCC’s Board selected Indonesia to develop a new compact in recognition of the progress Indonesia has made in the fight against corruption, strengthening democratic institutions, maintaining sound economic policies, and investing in its people. Development assistance for Indonesia supports the Trump Administration’s Indo-Pacific economic strategy and promotes peace, stability, and prosperity as well as U.S. business engagement.

Malawi

MCC's Board also selected Malawi to develop a new compact. Despite being the third poorest country in the world, Malawi is one of the strongest performers on MCC's scorecard in the candidate pool.

Kosovo

MCC's Board selected Kosovo to develop a new compact. Kosovo's current MCC threshold program will provide a solid foundation for a compact.

Ethiopia

MCC's Board selected Ethiopia to develop a threshold program. The decision to develop a threshold program underscores the Board's recognition of the recent reforms made by the Government of Ethiopia this year.

Solomon Islands

MCC's Board selected Solomon Islands to develop a threshold program, which also supports the Trump Administration's Indo-Pacific economic strategy.

Concurrent Compacts for Regional Investments

The AGOA and MCA Modernization Act, signed by President Trump in April 2018, authorizes MCC to enter into concurrent compacts to promote cross-border economic integration, trade, and collaboration. The Board directed MCC to explore regional investment opportunities in five of its current compact partners in West Africa. The five countries selected as eligible are Benin, Burkina Faso, Côte d'Ivoire, Ghana, and Niger. The Board decision allows MCC to work with each of the countries to determine if there are projects that meet MCC's strict investment criteria as well as evaluate the countries' ability to work with MCC and a partner country on a regional investment. There is no guarantee a country selected as eligible will be granted a concurrent compact.

MCC's Board of Directors reselected Burkina Faso, Lesotho, Timor-Leste, and Tunisia for continued compact development and The Gambia for continued threshold program development. The Board reviewed policy performance for all country partners in compact and threshold development.