

# **Report on the Selection of Eligible Countries for Fiscal Year 2025 (Albania)**



**MILLENNIUM**  
CHALLENGE CORPORATION  
UNITED STATES OF AMERICA



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## SUMMARY

This report is provided in accordance with section 608(d)(1) of the Millennium Challenge Act of 2003, as amended (the Act) (22 U.S.C. 7707(d)(1)). This is the second such report for fiscal year (FY) 2025 due to the enactment of the Millennium Challenge Corporation Candidate Country Reform Act on December 23, 2024.

The Act authorizes the provision of assistance under section 605 of the Act (22 U.S.C. 7704) to countries that enter into compacts with the United States to support policies and programs that advance the progress of such countries in achieving lasting poverty reduction through economic growth and are in furtherance of the Act. The Act requires the Millennium Challenge Corporation (MCC) to determine the countries that will be eligible to receive assistance for the fiscal year, based on their demonstrated commitment to just and democratic governance, economic freedom, and investing in their people, as well as on the opportunity to reduce poverty through economic growth in the country. The Act also requires the submission of reports to appropriate congressional committees and the publication of notices in the *Federal Register* that identify, among other things:

1. The countries that are “candidate countries” for assistance for FY 2025 based on their per-capita income levels and their eligibility to receive assistance under U.S. law, and countries that would be candidate countries, but for specified legal prohibitions on assistance (section 608(a) of the Act (22 U.S.C. 7707(a)));
2. The criteria and methodology that the Board of Directors of MCC (the Board) used to measure and evaluate the policy performance of the “candidate countries” consistent with the requirements of section 607 of the Act in order to determine “eligible countries” from among the “candidate countries” (section 608(b) of the Act (22 U.S.C. 7707(b))); and
3. The list of countries determined by the Board to be “eligible countries” for FY 2025, with justification for eligibility determination and selection for compact negotiation, including with which of the eligible countries the Board will seek to enter into compacts (section 608(d) of the Act (22 U.S.C. 7707(d))).

This is an additional report that fulfills the requirements under the third of the above-described reports by MCC for FY 2025. A prior report was sent to Congress on December 19, 2024. Both the prior report and this report identify countries determined by the Board to be eligible under section 607 of the Act (22 U.S.C. 7706) for FY 2025 with which MCC seeks to enter into compacts under section 609 of the Act (22 U.S.C. 7708), as well as the justification for such decisions. The prior report also identifies countries selected by the Board to receive assistance under MCC’s threshold program pursuant to section 616 of the Act (22 U.S.C. 7715).



## ELIGIBLE COUNTRIES

The Board met on December 18, 2024, to select those eligible countries with which the United States, through MCC, will seek to enter into a Millennium Challenge Compact pursuant to section 607 of the Act (22 U.S.C. 7706). At the time, the Board selected Liberia as eligible to develop a compact, as noted in MCC's previous report.

Following the passage of the MCC Candidate Country Reform Act, as part of the National Defense Authorization Act for Fiscal Year 2025, the Board considered additional eligible countries with which the United States, through MCC, will seek to enter into a Millennium Challenge Compact pursuant to section 607 of the Act (22 U.S.C. 7706). On January 7, 2025, the Board selected Albania for such assistance for FY 2025 via a written consent action in accordance with section 9 of MCC's bylaws. Albania is invited by MCC to develop a compact.

## CRITERIA

In accordance with the Act and with the "Selection Criteria and Methodology Report for Fiscal Year 2025" formally submitted to Congress on September 20, 2024, selection was based primarily on a country's overall performance in three broad policy categories: *Ruling Justly*, *Encouraging Economic Freedom*, and *Investing in People*. The Board relied, to the fullest extent possible, upon transparent and independent indicators to assess countries' policy performance and demonstrated commitment in these three broad policy areas. The Board compared countries' performance on the indicators relative to their income-level peers, evaluating them in comparison to either the group of countries with a GNI per capita equal to or less than \$2,165, the group with a GNI per capita between \$2,166 and \$4,515, or the group with a GNI per capita between \$4,516 and \$7,895.

The criteria and methodology used to assess countries, including the methodology for the annual scorecards, are outlined in the "[Selection Criteria and Methodology Report for Fiscal Year 2025](#)." Scorecards reflecting each country's performance on the indicators are available on MCC's website at <https://www.mcc.gov/who-we-select/scorecards>.

The Board also considered whether any adjustments should be made for data gaps, data lags, or recent events since the indicators were published, as well as strengths or weaknesses in particular indicators. Where appropriate, the Board considered additional quantitative and qualitative information, such as evidence of a country's commitment to fighting corruption, investments in human development outcomes, or poverty rates. MCC published a [Guide to Supplemental Information](#)<sup>2</sup> to increase transparency about the type of supplemental information the Board uses to assess a country's policy performance. In keeping with statutory requirements, the Board also considered the opportunity to reduce poverty and promote economic growth in a country, in light of the overall information available, as well as the availability of appropriated funds.

<sup>1</sup> Available at <https://www.mcc.gov/resources/doc/report-selection-criteria-methodology-fy25>

<sup>2</sup> Available at <https://www.mcc.gov/resources/doc/guide-to-supplemental-information>

The Board sees the selection decision as an annual opportunity to determine where MCC funds can be most effectively used to support poverty reduction through economic growth in well-governed countries with demonstrated development need. The Board carefully considers the appropriate nature of each country partnership—on a case-by-case basis—based on factors related to poverty reduction through economic growth, the sustainability of MCC’s investments, and the country’s ability to attract and leverage public and private resources in support of development.

This is the first fiscal year in which the Board used its new authority under the MCC Candidate Country Reform Act to select from the additional group of countries newly included for consideration for MCC assistance. The new authority aligns the income threshold for a country to be an MCC candidate county with the World Bank threshold for initiating the International Bank for Reconstruction and Development graduation process (\$7,895 gross national income per capita for fiscal year 2025). In considering any such new countries in MCC’s candidate pool, the Board will continue to apply MCC’s long-standing statutorily mandated eligibility criteria and selectivity model to all selections and will continue to prioritize the opportunity to reduce poverty through economic growth.

## COUNTRY NEWLY SELECTED FOR COMPACT ASSISTANCE

Using the criteria described above, **Albania**, a candidate country under section 606(a) of the Act (22 U.S.C. 7705(a)), was newly selected as eligible for assistance under section 607 of the Act (22 U.S.C. 7706). Albania is invited by MCC to develop a compact.

**Albania:** A prior MCC threshold program partner, Albania performs well on the scorecard, passing 15 of 20 indicators overall. A stable democracy with a record of competitive elections, Albania is expected to hold parliamentary elections on May 11, 2025. In recent years, Albania has adopted critical anti-corruption and rule of law reforms amid efforts to join the European Union, which are reflected in its performance on the scorecard. Despite sound economic governance, Albania continues to face headwinds in its development path given its vulnerabilities to geopolitical and natural disaster-related shocks, which have disproportionately affected the poor in recent years; 14 percent of the population lives on less than \$6.85 per day—the World Bank’s poverty line for upper middle-income countries. MCC’s Board selected Albania as eligible to develop a compact in recognition of Albania’s democratic history, progress fighting corruption, and ongoing development needs.



Reducing Poverty Through Growth

