



FY 2021 Budget Brief

(in millions of \$)	FY2019 Enacted	FY2020 Enacted	FY2021 Request
Total Appropriation/Request	905.0	905.0	800.0
Total Compact Assistance	637.4	634.5	543.0
Threshold Programs	45.0	30.0	27.0
Compact Development/Oversight	113.1	131.0	113.5
<i>609(g)</i>	<i>24.1</i>	<i>36.0</i>	<i>30.0</i>
<i>Due Diligence</i>	<i>89.0</i>	<i>95.0</i>	<i>83.5</i>
Administrative Expenses	105.0	105.0	112.0
Office of the Inspector General	4.5	4.5	4.5

The Millennium Challenge Corporation (MCC) requests \$800 million for Fiscal Year (FY) 2021 to support compact programs in development, including a second compact program with Malawi and the first concurrent compacts for regional integration with Benin and Niger, as well as new threshold programs. MCC's budget request includes \$112 million for administrative expenses.

MCC's work reflects a model built on lessons learned through 15 years of experience in implementing development projects. In FY 2021, MCC will build on its model to find new, innovative ways to achieve a greater impact across its portfolio. To do this, MCC will focus on four organizational priorities: (1) empowering MCC staff for optimal performance; (2) establishing a culture of creativity that encourages smart risk; (3) crowding-in and enabling private investment; and (4) holding the agency and partner countries accountable. Focusing on these four areas will empower MCC to expand impact and continue to deliver on its singular mission to reduce poverty through economic growth.

MCC's focus on transparency and accountability for results continues to be recognized. In November 2019, Results for America released the *2019 Invest in What Works Federal Standard of Excellence* index, an annual scorecard of how federal agencies are using evidence and data to achieve better results. For the fourth consecutive year, MCC received the highest score of all federal agencies featured in the report for having built the infrastructure necessary to use data, evidence, and evaluation in budget, policy, and management decisions.

FY 2021 Goals

- ★ **Continue development of compact programs** with Burkina Faso, Tunisia, Lesotho, Timor-Leste, Kosovo, Indonesia, Malawi, and Mozambique.
- ★ **Develop MCC's first concurrent compacts** for regional integration with Benin and Niger to enhance cross-border transport.
- ★ **Continue development of threshold programs** with Ethiopia, Kenya, and the Solomon Islands, as well as the development of new threshold program selections made by MCC's Board of Directors in December 2020.
- ★ **Support MCC's work in women's economic empowerment.** Through the agency's investment model, MCC consistently works with partner countries to unlock the economic potential of women and break down financial, legal, and cultural barriers that prevent women from fully engaging in their countries' economies.
- ★ **Maintain MCC's rigorous oversight model and commitment to learning,** which includes continuous review of compact and threshold programs, eliminating activities when appropriate via regular monitoring mechanisms and oversight by MCC's Board of Directors.
- ★ **Strengthen the environment for private enterprise in MCC partner countries** through critical public policy reforms and institutional capacity building to create an enabling environment for investment.
- ★ **Continue streamlining and improving the compact development process** to leverage efficiencies and reduce timelines while ensuring and improving the quality of MCC's programs.

MCC Background

MCC works only with a select group of low and lower-middle income countries that demonstrate a commitment to democratic governance, economic freedom, and rule of law. Over the last 15 years, MCC has signed 37 compacts with 29 partner countries, along with 28 threshold programs, totaling more than \$13 billion in investments.

MCC's business-like approach is based on selectivity, evidence-based decision-making—including transparent economic analyses—country ownership, and accountability, which are widely recognized as key tenets of effective foreign assistance. By holding the agency and our partner countries accountable for results and continued good governance, MCC advances American security, values, and prosperity.

Investments by MCC have leveraged more than \$6 billion in additional investments and commitments from the private sector and other development partners. Reducing global poverty creates a more stable, secure world with more opportunities for prosperity at home and abroad. With cost-effective projects, a dedicated staff, and an evidence-based approach, MCC is a good investment for the American people.