

MCC@20

MCC Economic Advisory Council

September 2022

**MCC@20 is a vision for the
agency's next 20 years.
It will require MCC to consider a
broader range of countries and to
look for new ways to create a
tangible “democratic dividend.”**

18 years into a bold experiment...

From its founding, MCC was an experimental first mover in operationalizing a number of now-widely accepted aid effectiveness principles:

- ✓ ***We are selective:*** *We work only with poor but well-governed countries;*
- ✓ ***We prioritize country ownership:*** *We put our grant money behind the investments that our country partners identify as delivering economic outcomes for their public; and*
- ✓ ***We are accountable for results:*** *This applies to both MCC and our partner countries.*

In doing so, we have invested \$15 billion in grant capital. MCC is proud of this record of development impact, MCC has nearly two decades of experience testing and learning what it takes to deliver impact.

...the global challenges have evolved

There are several big trends shaping the world in which MCC now works:

- ***Disease and war set back poverty reduction;***
- ***Rising debt and costs constrain countries' fiscal space;***
- ***Democracy faces global challenges;***
- ***The digital economy creates opportunity; and***
- ***Climate change promises more economic shocks.***

The United States must respond to these trends with a foreign assistance toolkit that not only responds to immediate needs, but that also reinforces a network of partnerships with countries that share our values. MCC should not only partner with thriving democracies but also seek to support nascent and vulnerable democracies by helping to deliver a democratic dividend.

Looking ahead to the next 20 years

- ✓ **WHERE we work:** By applying our selectivity model to the poorest 125 countries, MCC could acknowledge the changing nature of poverty and range of vulnerabilities countries currently face.
- ✓ **HOW we work:** We are working to improve efficiency, speed, and impact by streamlining compact development, updating our human capital strategy, and rolling-out new approaches.
- ✓ **WHAT we do:** MCC is exploring ways to adjust our investment vehicles to meet the needs of our partners, including issues specific to urbanization, regional integration, or the digital economy.

...this means a doubling down on country ownership and pursuing enough agency agility to meet the diversity of countries' needs. At its core, country ownership is tied to democratic dividends...

“We must now demonstrate — with a clarity that dispels any doubt — that democracy can still deliver for our people and for people around the world..”

President Biden, Interim National Security Strategy, March 2021

“Our task is to prove once again that democracy can meet urgent challenges, create opportunity, advance human dignity...”

Secretary Blinken, GWU, May 2022

“...we need to show how democracies can deliver what citizens want, quickly and effectively. When we fail to do that, people lose their trust in the democratic model.”

Secretary Blinken, Abuja, November 2021

“Moving rapidly and aggressively in historic windows of opportunity will make these reforms harder to reverse. We need to seize this moment—we need to support democratic bright spots as they seek to deliver economic dividends.”

Administrator Power, National Press Club, June 2022

Q&A