

Millennium Challenge Corporation Fiscal Year 2025 Annual Report

October 1, 2024-September 30, 2025



MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

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The Millennium Challenge Corporation is an independent U.S. government agency focused on advancing America's economic and strategic interests through results-driven foreign assistance. MCC's investments support large-scale infrastructure, strategic reforms, and economic growth that deliver measurable returns. Countries and U.S. taxpayers mutually benefit from expanded commercial opportunities for U.S. businesses, reduced influence of competitors, and reinforced global environments aligned with the United States..

PROGRAMMATIC UPDATES

MCC PARTNER COUNTRIES THAT CLOSED COMPACTS IN FISCAL YEAR 2025

Since its founding, MCC and its partner countries have completed 34 compacts, totaling more than \$11.4 billion in total expenditures (Table 1).

PROGRAM TERMINATIONS

In its August 2025 Board Meeting, MCC's Board of Directors voted to terminate or discontinue development of the following compact programs: the Cabo Verde Regional Compact, The Gambia Compact, the Lesotho Compact, the Malawi Compact, the Senegal Regional Compact, the Timor-Leste Compact, and the Togo Compact. In addition, the Board voted to terminate or discontinue the development of the following threshold programs: The Gambia Threshold Program, the Kenya Threshold Program, the Mauritania Threshold Program, the Tanzania Threshold Program, and the Togo Threshold Program. As the notification of terminations occurred outside the scope of Fiscal Year 2025, the termination decisions and processes will not be detailed in this report.

CÔTE D'IVOIRE

On August 5, 2025, MCC and the Government of Côte d'Ivoire marked the closure of the catalytic \$536.7 million compact that improved critical transport infrastructure and strengthened workforce development. The Ivoirian government made a country contribution of \$22 million to support compact implementation. The objective of the Abidjan Transport Project was to reduce transport costs and travel times along targeted road segments, while improving overall pedestrian and vehicle mobility and safety. The project rehabilitated 7.8 kilometers of roads in and around the Port of Abidjan, while also investing in systems and processes to improve funding for and management of the road network. In parallel, this project established a master's program in infrastructure asset management in partnership with Michigan State University and Polytechnique Montreal, which has already produced 60 graduates. The objective of the Skills for Employability and Productivity Project was to increase access to quality lower secondary education and to improve the quality and relevance of technical and vocational education and training. This project supported the creation of 40 new lower secondary schools along with two teacher training campuses. In addition, three new state-of-the-art technical and vocational education and training centers, developed using an innovative, private sector-led model, were largely completed and will begin enrolling their first cohorts of students in the coming months in fields such as transportation and logistics, supply chain management, and heavy machinery operations and maintenance.

TABLE 1. COMPLETED OR CLOSED MCC COMPACTS
SINCE 2004, AS OF SEPTEMBER 30, 2025

Partner Country	Date Compact Signed	Compact End Date	Compact Obligations as of September 30, 2025 (in millions of dollars)
Madagascar	April 18, 2005	August 31, 2009	\$85.6
Honduras	June 14, 2005	September 30, 2010	\$204.0
Cabo Verde	July 5, 2005	October 18, 2010	\$108.5
Nicaragua	July 15, 2005	May 26, 2011	\$112.7
Georgia	September 12, 2005	April 7, 2011	\$387.2
Benin	February 22, 2006	October 6, 2011	\$301.8
Vanuatu	March 2, 2006	April 28, 2011	\$65.4
Armenia	March 27, 2006	September 29, 2011	\$176.6
Ghana	August 1, 2006	February 16, 2012	\$536.3
Mali	November 13, 2006	August 24, 2012	\$434.3
El Salvador	November 29, 2006	September 20, 2012	\$449.6
Mozambique	July 13, 2007	September 22, 2013	\$447.9
Lesotho	July 23, 2007	September 17, 2013	\$358.0
Morocco	August 31, 2007	September 15, 2013	\$650.1
Mongolia	October 22, 2007	September 17, 2013	\$269.0
Tanzania	February 17, 2008	February 17, 2013	\$694.5
Burkina Faso	July 14, 2008	July 31, 2014	\$474.7
Namibia	July 28, 2008	September 16, 2014	\$295.7
Senegal	September 16, 2009	September 23, 2015	\$433.3
Moldova	January 22, 2010	September 1, 2015	\$259.4
Philippines	September 23, 2010	May 25, 2016	\$385.1
Jordan	October 25, 2010	December 13, 2016	\$273.0
Malawi	April 7, 2011	September 20, 2018	\$344.8
Indonesia	November 19, 2011	April 2, 2018	\$474.0
Cabo Verde	February 10, 2012	November 30, 2017	\$65.6
Zambia	May 10, 2012	November 15, 2018	\$332.1
Georgia	July 26, 2013	July 1, 2019	\$138.6
Ghana	August 5, 2014	June 6, 2022	\$310.8
El Salvador	September 30, 2014	September 9, 2020	\$270.7
Benin	September 9, 2015	June 22, 2023	\$389.2
Liberia	October 2, 2015	January 20, 2021	\$237.8
Morocco	November 30, 2015	March 31, 2023	\$449.4
Niger	July 29, 2016	January 26, 2024	\$413.2
Côte d'Ivoire	November 7, 2017	August 5, 2025	\$536.7
Total			\$11,366.0

MCC PARTNER COUNTRIES IN COMPACT IMPLEMENTATION

Eight countries in MCC's portfolio were in compact implementation as of September 30, 2025. Compact implementation begins upon entry-into-force (EIF) of the compact agreement, launching the start of the five-year implementation period. Each compact is managed and implemented by an accountable entity, generally known as the Millennium Challenge Account (MCA), established by the partner country government. Key implementation milestones from FY 2025 are described below. Table 2 shows FY 2025 Compact Obligations and Expenditures.

BENIN REGIONAL

On December 14, 2022, MCC signed its first concurrent regional compacts with Benin and Niger. This program was initially designed to rehabilitate portions of the existing transport corridor between Cotonou in Benin and Niamey in Niger. Although the Niger concurrent regional compact was terminated due to a military coup d'état, the \$406 million Benin Regional compact (which includes a \$204 million contribution from the Government of Benin) is continuing development with a modified focus on 77 kilometers of road between the cities of Bohicon and Dassa, Benin. The Government of Benin has committed to contributing an additional \$204 million, which is notably the first time a MCC partner country has contributed more than the U.S. government toward a compact. MCA-Benin Regional is fully staffed and operational. The compact allows for the pursuit of American product sales opportunities in Benin's transport sector including long-haul trucks, trailers and road tolling systems. The compact entered into force on July 17, 2025.

INDONESIA

The \$649 million Indonesia Infrastructure and Finance Compact entered into force on September 4, 2024, and includes a \$49 million contribution from the Government of Indonesia. The compact seeks to help infrastructure projects attract commercial capital and to support businesses in accessing new markets. Throughout 2025, MCA-Indonesia II continued to make progress on operational and technical procurements for the compact's large-scale infrastructure investments, including by awarding key design and operational contracts to American firms. In response to guidance from the MCC Board of Directors in August 2025, MCC and Government of Indonesia have worked together to realign the compact activities to better promote mutual benefits for both the United States and Indonesia. The compact end date is September 4, 2029.

KOSOVO

The \$202 million compact with the Government of Kosovo entered into force on April 30, 2024, with the Government of Kosovo contributing an additional \$34.6 million. The Kosovo Compact strengthens Kosovo's energy security, independence, and cooperation with the United States through three key projects. The Energy Storage Project invests in large scale battery storage systems to store electricity and improve the reliability of the power supply. The Just and Equitable Transition Acceleration Project will equip Kosovans with the workforce skills necessary to pursue careers in the energy sector through access to quality education, training, and other opportunities. The American Catalyst Facility for Development (ACFD) Project aims to leverage financing from the U.S. International Development Finance Corporation (DFC) to support one or more blended finance transitions to catalyze private investment in Kosovo. In FY

2025, the compact achieved three major milestones. First, MCA-Kosovo launched the major procurement for the Energy Storage Project's battery energy storage system-related activities worth approximately \$145 million. Second, MCA-Kosovo awarded the contract for the Energy Skills for the Future Activity, which is establishing the Center for Energy Skills and Innovation what will provide technical training programs needed by the energy sector in Kosovo and beyond. Third, the compact established the Energy Storage Corporation (ESCorp), a government-owned enterprise, that will own and operate 125 megawatts (or 250 MWh) of battery storage system capacity. The compact end date is April 30, 2029.

LESOTHO [TERMINATED BY BOARD DECISION]

MCC's \$300 million Health and Horticulture Compact entered into force on March 30, 2024. The compact aimed to support the health and irrigated horticulture sectors and included funding for an investment through the ACFD project. With the imminent award of a design-build contract for the compact's irrigation project, it became clear that the available budget and time remaining in the five-year compact term were likely insufficient to deliver the 4000 acres of commercially managed irrigated horticulture as originally designed, potentially requiring de-scoping of significant portions of the project. MCC's Board voted to terminate this program in August 2025.

MALAWI [TERMINATED BY BOARD DECISION]

MCC's \$350 million Transport and Land Compact entered into force on May 6, 2024. The compact focused support on the land and transport sectors and included an ACFD project focused on the private sector. The compact's feasibility studies were conducted during the COVID-19 pandemic; since then, costs had significantly risen and substantial differences emerged between the initial estimates and the detailed designs. The increased costs would likely have required descoping the road works, diminishing the economic rate of return. Addressing these challenges through a major compact modification would have demanded extensive stakeholder engagement, including consultations at the highest levels of the Malawi government and could have created operational risks across the entire compact. MCC's Board voted to terminate this program in August 2025.

MONGOLIA

MCC's \$350 million compact with Mongolia aims to increase bulk water supply to meet the projected residential and commercial demand for water in Ulaanbaatar, strengthen Mongolia's economic development, and help ensure the political stability of a key regional U.S. ally. The compact will bolster America's standing in the strategic Indo-Pacific region, affirm the U.S. as Mongolia's "Third Neighbor" of choice, and foster a more favorable investment environment for U.S. businesses. The compact will benefit 2.4 million Mongolians and yield economic returns of around \$61.5 million over the next 25 years. The Mongolian government has committed a country contribution of \$111.8 million to support compact implementation. The compact, which entered into force on March 31, 2021, is now in its final year of implementation. Throughout FY 2025, MCA-Mongolia continued to make substantial progress on construction work on the compact's key infrastructure works, the Advanced Water Purification Plant and the Wastewater Recycling Plant, both of which are currently on track for completion by the compact end date of March 31, 2026.

NEPAL

MCC's \$550 million compact with Nepal aims to increase the availability of reliable electricity, improve road quality and facilitate power trade between Nepal and India. The Government of Nepal has committed an additional \$197 million toward the compact program for a combined total investment of \$747 million. The compact entered into force on August 30, 2023. Over the course of the compact's second year of implementation, MCA-Nepal signed critical works contracts under the Electricity Transmission Project (ETP) for the construction of 297 km of transmissional lines, as well as a technical assistance contract to the U.S. firm Deloitte to support Nepal's Electricity Regulatory Commission. Under the ETP, works contractors mobilized for the construction of three substations and the cross-border transmission line segment connecting to the Indian border. Under the Roads Maintenance Project, MCA-Nepal made significant progress on launching a key contract for pavement recycling works and expects contract award in early FY26. The compact end date is August 30, 2028.

SENEGAL

MCC's \$550 million compact with Senegal is designed to strengthen the country's power sector by increasing reliability and access to electricity and by helping the Government of Senegal establish a modern and efficient foundation upon which the nation's power system can grow. The Government of Senegal committed a country contribution of \$50 million. Investments focus on electricity sector policy, institutional and regulatory reform, upgrading the high-voltage transmission network in and around Dakar, and expanding rural electricity access through distribution network upgrades and enhancements to consumer-side elements. Ensuring consistent and affordable access to electricity in Senegal is expected to allow businesses to grow, including 50 U.S. companies, catalyze private sector investment, increase productivity and employment, and ultimately support the diversification and growth of Senegal's economy. In FY 2025, MCA-Senegal II made significant progress on construction to modernize substations and install underground and undersea high voltage transmission lines in the Dakar region, and in extending the electrical grid in select rural and peri-urban communities in Senegal's south and central regions. The compact end date is September 9, 2026.

TABLE 2. FISCAL YEAR 2025 COMPACT OBLIGATIONS
AND EXPENDITURES (IN MILLIONS OF DOLLARS).

Activity in Fiscal Year 2025					
Partner Country	Section 609 (g) Compact Facilitation Funding		Section 605 Assistance		
	Total Compact Amount, Including Amendments	Obligations	Expenditures	Obligations	Expenditures
Belize	\$125.0	\$10.7			
Benin (Regional)	\$202.0	\$17.0	\$12.8	\$185.0	
Côte d'Ivoire	\$536.7	\$31.7	\$31.4	\$505.1	\$404.1
Côte d'Ivoire (Regional)	\$300.0	\$28.5			
Indonesia	\$649.0	\$24.2	\$13.2	\$624.8	\$0.7
Kosovo	\$202.0	\$21.2	\$9.0	\$180.8	\$1.0
Lesotho	\$300.0	\$30.3	\$10.0	\$269.7	\$8.8
Malawi	\$350.0	\$21.1	\$10.6	\$328.9	\$4.9
Mongolia	\$350.0	\$28.1	\$28.1	\$321.9	\$253.5
Mozambique	\$500.0	\$50.2	\$7.3		
Nepal	\$550.0	\$24.0	\$24.0	\$526.0	\$91.8
Senegal	\$550.0	\$22.6	\$22.6	\$527.4	\$378.6
Sierra Leone	\$480.7	\$42.3			
Timor-Leste	\$420.0	\$51.1	\$12.1		

FOR MORE

Visit www.mcc.gov for the latest progress on each MCC partner country, including financial data, results and donor coordination efforts.



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