

Fiscal Year 2025 Congressional Budget Justification

March 2024



MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

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EXECUTIVE SUMMARY

(in millions of \$)	FY2023 Enacted*	FY2024 Annualized CR*	FY25 Request
Total Appropriation/Request	930.0	930.0	937.0
Total Compact Assistance	651.0	650.0	650.0
Threshold Programs	31.0	51.0	31.0
Compact Development/ Oversight	113.5	94.5	105.5
<i>Compact Development Funding</i>	28.0	15.0	24.0
<i>Due Diligence</i>	85.5	79.5	81.5
Administrative Expenses	130.0	130.0	146.0
Office of the Inspector General	4.5	4.5	4.5

* FY 2023 enacted appropriation included a \$100 million rescission of prior year unobligated balances. A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared; therefore, the budget request assumes this account is operating under the annualized level provided by a continuing resolution (CR).

OVERVIEW

The Millennium Challenge Corporation (MCC) requests \$937 million in discretionary funding for fiscal year (FY) 2025 to deliver on its mission to reduce poverty through sustainable, inclusive, economic growth. MCC partners with countries to invest in infrastructure and address policy constraints that are holding their economies back, all while creating new markets for trade and investment, jobs, and opportunities for American businesses. In addition, the President's FY 2025 budget includes a mandatory funding proposal for an International Infrastructure Fund, from which MCC would access at least \$200 million for infrastructure. MCC's ability to leverage grants to finance high-quality, sustainable infrastructure projects stands in stark contrast to others that often create increased debt burdens on low and lower-middle income countries.

MCC was conceptualized in the early 2000s, and emerged as a bold experiment to test innovative, cost-effective, and data-driven approaches to end global poverty. It represented a new approach to development: a focus on strong economic policies, good governance, democracy, and country-led solutions and implementation. Twenty years later, the experiment is standing strong, with MCC having approved nearly \$17 billion in investments for compacts, threshold programs, and concurrent compacts to 47 low-income and lower-middle-income countries that are expected to benefit over 380 million people worldwide.

MCC delivers values-driven, high-impact, sustainable, and transparent infrastructure projects to meet the needs of low- and middle-income countries and to support the United States' economic and national security interests. The agency not only responds to immediate development needs but also reinforces a network of partner countries—both nascent and thriving democracies—that share the United States' belief that ruling justly, investing in people, and upholding human rights create durable pathways to prosperity. In addition to improving the lives of millions of people around the world, MCC serves as an important

counter to malign influence of foreign nations by increasing U.S. Government presence, building stronger relationships and trust, and helping implement important institutional changes in partner countries. In fact, with 20 years of experience, MCC has proven to be an effective and highly sought after development partner for countries promoting sustainable policy changes and institutionalizing reforms.

Amidst today's challenging geopolitical and social challenges, MCC's grant assistance is a key economic contributor to the way the United States combats growing challenges and incentivizes good governance and democratic values globally. In FY 2023, MCC continued to achieve major milestones across its portfolio, including compact signings with Indonesia (\$649 million) and Mozambique (\$500 million), and threshold program grant agreements with Kenya (\$60 million) and Kiribati (\$29 million). These aggregate investments amounted to over \$1.2 billion and are expected to improve the lives of more than 59 million people by helping partner countries with their policy and institutional reforms, providing the resources for core physical infrastructure investments that drive economic growth while also embracing country ownership and locally led development.

After the COVID pandemic slowed compact development, MCC has been accelerating its program execution. Over the past two fiscal years, MCC signed 12 programs worth over \$3 billion with partner countries, at a pace nearly 2-3 times our typical annual rate. By the end of FY 2023, MCC had committed nearly 80% of its unobligated balances and reduced the overall balances from the Nepal compact (\$500 million) entering into force (EIF). In FY 2024, that progress will continue. MCC plans to sign compacts in Sierra Leone (\$480 million *estimated*) and Belize (\$125 million *estimated*), and, after two years of achieving major signing milestones, will EIF and begin implementation of compacts in Indonesia (\$649 million), Kosovo (\$202 million), Lesotho (\$300 million), and Malawi (\$350 million), and the Kenya threshold program (\$60 million). Across FY 2023 and FY 2024, these implementing compacts will obligate roughly \$2 billion of MCC's prior year funds. At the same time, MCC is continuing to develop programs with multiple countries, including Zambia (announced in early FY 2022), four partners selected in early FY 2023 and announced by President Biden at the African Leaders Summit (Mauritania, Senegal, Togo, and The Gambia) and MCC's most recent selectees (Cabo Verde, Tanzania, and the Philippines) announced in December 2023.

To support this programming, the FY 2025 budget request supports the following activities:

- **Program Development.** MCC plans to complete development of, sign and begin pre-implementation work on three compacts at the beginning of FY 2025 (Zambia and Togo compacts and the Cote d'Ivoire regional energy program) and on the Mauritania threshold program. Additionally, MCC will continue developing three compact programs, including The Gambia and Senegal and Cabo Verde regional programs, as well as threshold programs with two newly selected threshold partners, the Philippines and Tanzania. Additionally, FY 2025 funds would cover initial development costs of new compact and threshold program selections to be made by MCC's Board of Directors in December 2024.
- **Program Oversight of Implementing Programs.** MCC maintains a rigorous oversight model, projected to be across 17 implementing programs in FY 2025, including compact and threshold

program reviews, portfolio management, activity modifications, and the suspension or termination of programs, projects, or activities when deemed appropriate.

- **Selection and Economic Analysis.** MCC administers a competitive selection process, whereby countries selected by MCC's Board of Directors as compact-eligible must pass MCC's scorecard of 20 independent, third-party indicators that measure a country's policy performance in the areas of ruling justly, economic freedom, and investing in people. MCC administrative funds includes funding for staffing and administering economic and constraints analyses.
- **Evidence, Monitoring and Evaluation.** MCC has an evidence-based approach to developing projects and assessing impacts, including publishing MCC Evaluation Briefs and Star Reports, and consistently earns top rankings for the agency's commitment to transparency and evidence. These reports consolidate critical programmatic information throughout the lifecycle of each compact and threshold program to draw on the lessons learned in areas such as performance, sustainability, and other best practices.
- **Program Acceleration.** MCC continues to accelerate and streamline compact and threshold development processes to leverage efficiencies, reduce timelines, and achieve impacts sooner while maintaining quality.

LEGISLATIVE CHANGES

In FY 2025, MCC is seeking two legislative changes:

1. **Candidate country pool reform.** The Millennium Challenge Act of 2003, as amended, currently defines MCC's candidate country pool in a way that prevents MCC from considering numerous middle-income countries that face substantial challenges on their economic development paths and their ability to reduce poverty. MCC is seeking to redefine its candidate country pool to allow MCC to apply its selection model to countries below the International Bank for Reconstruction and Development (IBRD) graduation threshold and increase MCC's capacity to reduce poverty through economic growth in vulnerable countries. The proposal would also remove the cap on funding for compacts with lower middle-income countries.
2. **Modify Annual Reporting Requirements:** MCC is seeking to change the Millennium Challenge Act of 2003, as amended, to make MCC's Annual Report due to Congress the third Friday in December each year, rather than March 31 of the following year as is currently required. Additionally, MCC requests the agency's annual report be submitted directly to Congress by MCC's Chief Executive Officer. The proposed change would enhance reporting efficiency and allow MCC, an independent agency, to showcase the agency's accomplishments of the past fiscal year sooner.

ALIGNMENT WITH ADMINISTRATION POLICIES

PARTNERSHIP FOR GLOBAL INFRASTRUCTURE AND INVESTMENT (PGI)

For 20 years, MCC has made investments in high-quality and sustainable infrastructure projects that meet the growing needs of partner countries without adding to their debt burdens. MCC's large, multi-year grants enable the agency to drive policy and institutional reforms to promote sustainability while also pursuing core physical infrastructure investments that catalyze economic growth and private investment. MCC has funded \$4.7 billion in infrastructure projects under compact and threshold programs signed since fiscal year 2013. The FY 2025 budget request supports PGI investments of \$810 million.

MCC's approach embraces country ownership and locally led development while leveraging key policy and institutional reforms to broaden the impact of investments and create an environment for additional investment by others. Given the size of MCC's infrastructure portfolio and MCC's track record of managing large infrastructure projects, MCC is well-positioned to contribute to the goals of PGI. MCC's experience financing and building infrastructure has allowed MCC to produce systemic, impactful, and long-lasting results. For example, MCC's \$350 million compact with Mongolia supports economic growth by addressing the water shortage in Mongolia's capital, Ulaanbaatar. The compact supports infrastructure investments in wells and advanced purification and wastewater recycling plants, alongside critical legal, regulatory, and institutional reforms. Once operational, the infrastructure and systems supported by MCC will increase the water supply to the city by 80 percent.

There are several other programs within MCC's existing portfolio that align closely with PGI including: MCC's \$300 million compact with Lesotho, \$420 million compact with Timor-Leste, \$649 million compact with Indonesia, \$202 million compact with Kosovo, and the \$500 million compact with Mozambique. MCC is also developing several programs across PGI's thematic areas, including programs in Sierra Leone, Togo, The Gambia, Senegal, and Zambia.

Although MCC is a small proportion of USG foreign assistance spending, MCC has a global reputation for delivering results, keeping projects on time and in budget, collaborating with partner countries, and leveraging data. This makes MCC's grants some of the most visible and often largest USG investments in the countries where we work and aligns well with the economic growth mission that is central to PGI's mission.

OUTCOMPETE CHINA

MCC follows its reliable model for country selection, project development and implementation. Unlike some donors that provide predatory financing, MCC provides grant assistance for country-led development projects, transparently and without creating additional debt burden, while focused on results and investment outcomes driven by data. Among MCC's diverse portfolio of investments, infrastructure is one of the most visible signs of MCC's evidenced-based approach to development. Throughout Africa, Asia, the Middle East, Europe, and Latin America, MCC's partners have directed the majority of their MCC-funded programs to closing the infrastructure gap and creating the means for communities and citizens to meet local market opportunities and compete in a global economy. Reliable roads, airports,

seaports, irrigation canals, water and sanitation networks, electrical systems, schools, and health centers are the very foundation for economic growth. MCC's support for such projects, its emphasis on democratic governance and transparency, and how MCC works collaboratively with partner governments, are emblematic of an MCC model and an approach to development that stands in contrast to China's approach to development investments. The budget request includes discretionary funding to support MCC's compact and threshold investments; it also includes a mandatory International Investment Fund as part of a broader outcompete China package, which would provide additional support for infrastructure funding if enacted. At least \$200 million of this fund would be available to MCC to bolster its sustainable infrastructure investment efforts.

MCC is also currently working with seven country partners in the Asia-Pacific region, including the recently signed threshold programs with Solomon Islands and Kiribati. With growing Chinese interest in the Pacific islands, MCC's partnerships strengthen relations with these island nations and represent the most substantial U.S. Government presence in these two countries.

CLIMATE

MCC continues to work with partner countries to develop innovative climate-resilient solutions to combat poverty and help build climate-resilient economies that promote sustainable and inclusive growth, enhance resilience to future crises, reduce GHG emissions, and adapt to new climate realities. From promoting conservation activities in Mozambique or delivering low-carbon economic development models in Kosovo, to supporting countries' efficient energy transition by expanding renewable energy in Indonesia, MCC helps many of the world's most vulnerable communities address the impacts of climate change. Climate-resilient and otherwise sustainable investments have been a core MCC competency for years. MCC has a strong track record of integrating climate change resilience, adaptation, and mitigation considerations throughout its investment cycle. MCC has made significant progress advancing all six of the stated objectives in [MCC's climate strategy](#) launched in 2021 and MCC's FY 2025 budget request supports the agency's ability to address holistically the self-determined needs of partner countries.

INCLUSION AND GENDER

MCC launched a new [Inclusion and Gender Strategy](#) in October 2022, which aims to significantly deepen MCC's commitment to inclusion and gender equity and equality, by routinely and systematically prioritizing and measuring the ability of poor people, women, and other marginalized groups to access, participate in or derive benefits from its investments.

In FY 2025, MCC will be increasing its ambition on inclusion and gender in an updated policy. To support the strategy, MCC has developed an Inclusion and Gender Guidance Tool, which will be applied to newly selected partners in FY 2025. These tools will support teams in efforts to proactively consider inclusion and gender at every stage of compact development.

MCC is deepening and expanding learning on how to enhance inclusion and gender in sector-specific approaches. MCC has undertaken focused work in transportation and workforce development sectors, collecting best practices and experiences, and developing new tools for teams to comprehensively address

these issues in program design. In FY 2025, a suite of these tools will be finalized, and training and capacity building will be provided to teams to apply them in their sector work.

MCC has also updated its approach toward procurements to integrate a more comprehensive inclusion and gender lens. All Millennium Challenge Account (MCA) contracts already include specific requirements to meet the MCC Gender Policy, Counter-Trafficking in Persons Policy, as well as prohibitions on sexual harassment. The program guidelines for procurements have been revised to encourage female employment in non-traditional sectors, source goods from women-owned businesses, and attempt to prohibit sexual exploitation and abuse. These updates will be applied to all new procurements in FY 2025.

Programmatically, MCC continues its work to increase the number of investments that address exclusion in various sectors and focus on inclusion and addressing gender inequalities in their program logic. For example, in Belize, MCC and the government are developing an education project that will improve access to and the quality of secondary education and technical and vocation education. The project is expected to improve the quality of instruction and school direction; increase access, transition, retention, and graduation of at-risk students; address training and transitioning to work; and strengthen institutions, data, and management information systems to monitor and manage the education sector. MCC expects to sign the compact in FY 2024.

Consistent with E.O. 14035 requirements for advancing diversity, equity, inclusion, and accessibility (DEIA) in the federal workforce, MCC has also been taking actions to further elevate DEIA within the agency. In May 2022, MCC publicly released its [DEIA Strategic Plan](#). The plan outlines an integrated approach to advancing DEIA by embedding it into the agency's mission, human capital strategy, corporate goals, and workstreams. To implement this plan, in FY 2024, MCC's corporate and department goals include efforts to mitigate biases and reduce barriers to DEIA. One example includes the agency's focus to expand MCC's recruiting outreach to diverse professional networks via the MCC Roadshow program, HR recruitment and career fairs, and leveraging various federal government sponsored fellowship programs.

TRANSPARENT, EVIDENCE-LED INVESTMENTS

Since its inception in 2004, MCC has invested nearly \$17 billion through more than 78 compact and threshold grants, including substantial investments in core infrastructure and policy and institutional reforms. The agency will build on its 20-year track record of working with partner countries to deliver complex, high-quality infrastructure on time, on budget, and with transparency and accountability to ensure that taxpayer funds are well-spent.

MCC's focus on transparency and accountability for results is consistently recognized. In 2022 the Aid Transparency Index ranked MCC as the world's most transparent bilateral donor and as fifth in the world among major development agencies. In Results for America's 2022 [Invest in What Works Federal Standard of Excellence Report](#), an annual scorecard of how federal agencies use evidence and data to achieve better results, MCC received the highest score of all federal agencies for the seventh consecutive year. This distinction reflects MCC having built the infrastructure necessary to efficiently and effectively use data, evidence, and evaluation in budget, policy, and management decisions. Looking ahead, the agency is poised to expand its evidence-based, cost-effective, and values-driven model to help lead U.S. government

efforts on using large scale infrastructure investments and public-private partnerships to tackle the climate crisis, reverse democratic backsliding, promote inclusion and gender equity, and, ultimately, reduce poverty globally.

COMPACT ASSISTANCE

(in millions of \$)	FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
Total Appropriation/Request	930.0	930.0	937.0
Total Compact Assistance	651.0	650.0	650.0

MCC’s FY 2025 request includes \$650 million in compact assistance for the Togo and Zambia compacts, both completing project development in FY 2024, and partial funding for The Gambia compact projected to complete project development and begin negotiations in FY 2025. If existing funds in the portfolio become available through de-obligations or reprogramming, MCC could potentially fund the remainder of The Gambia compact or the Regional Senegal compact, which is currently unfunded.

Developing Compacts	Compact Funding (\$ millions)				FY 2023				FY 2024				FY 2025				FY 2026								
	FY 2025	FY 2024	Prior Years*	Total	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
Tunisia	-	-	-	-	Paused																				
Sierra Leone		\$100	\$381	\$481	De	Project Development				Negotiation				Sign				Implementation Start-Up				EF	Implementation		
Belize		\$100	\$15	\$125	De	Project Definition		Project Development				Negotiation		Sign		Implementation Start-Up				EF	Implementation				
Côte d'Ivoire Regional Energy		\$165	\$135	\$300	De	Project Definition		Project Development				Negotiation		Sign		Implementation Start-Up				EF	Implementation				
Zambia		\$175	\$275	\$450	De	Problem Diagnosis		Project Definition		Project Development				Neg.		Sign		Implementation Start-Up				EF	Implementation		
Togo		\$390		\$390	De	Prelim. Analysis		Problem Diagnosis		Project Definition		Project Development		Neg.		Sign		Implementation Start-Up				EF	Implementation		
The Gambia**		\$85		\$85	De	Prelim. Analysis		Problem Diagnosis		Project Definition				Project Development		Negotiation		Sign		Implementation Start-Up				EF	Implementation
Senegal Regional	To be Funded**				De	Prelim. Analysis		Problem Diagnosis		Project Definition				Project Development		Negotiation		Sign		Implementation Start-Up				EF	Implementation
Cabo Verde Regional	To be Funded**				De	Prelim. Analysis		Problem Diagnosis		Project Definition				Project Development				Implementation Start-Up				EF	Implementation		

Sel: Selection of eligible partner country to develop compact by MCC's Board of Directors

EIF: Entry into Force of Compact and beginning of compact implementation

Sign: Signing of Compact Grant Agreement with partner country

▲ Compact Development Funding (CDF) Grant Agreement with partner country signed

* Based on an annualized FY 2024 CR. Prior year funding assumes a \$100 million rescission.

** The Gambia (partially funded) and the regional Senegal and Cabo Verde programs may be funded through reprogramming of funds from suspended compacts that may be terminated, the \$200 million transfer to MCC included in the President's mandatory International Infrastructure Fund proposal, or future appropriations.

The following legend describes the different phases of compact development and the efforts undertaken by country partners and MCC:

	Preliminary Analysis	Problem Diagnosis	Project Definition	Project Development	Negotiations
Country Partner	National Coordinator named, compact development team established to analyze constraints to economic growth, opportunities for private investment, and poverty reduction, while undertaking broad consultations with key stakeholders.	Compact development team expands and analyzes root causes of binding constraints and develops initial project ideas to address constraints. Concept notes exchanged and formally submitted to MCC.	Definition and scoping of specific projects and activities, including program logic, identification of intended beneficiaries and conducts initial consultations with stakeholders on project design. Project conceptual proposals submitted to MCC.	Pre-Feasibility or Feasibility studies conducted with environmental and other studies related to proposed projects, including measurement of expected economic impact and identification of risk and mitigation measures. Commencement of establishing structures needed in implementation.	Country partner negotiates legal, financial, technical terms of program, signs agreement, including any conditions precedent to be incorporated, and begins creation of a dedicated accountable entity responsible for compact implementation.
MCC	Country team assignments established, compact development and cost reimbursement guidance provided to country partner, assistance provided to analyze constraints to growth and initiate broad public consultations, incorporating social, environmental, gender, and private sector issues.	Review and approve concept notes and concept projects for further development, including identifying underlying causes of binding constraints, selected problems to address, and concepts and scope for interventions.	Conducts due diligence, including initial project assessments of economic and poverty impact, and reviews and approves project proposals for full development and appraisal.	Assists conducting feasibility and design studies and environment and social impact assessments to determine final scope, cost, timeline, risks, and conditions of the compact; oversees management of procurements; conducts thorough project appraisals; and approves final decisions on projects.	MCC notifies Congress of intent to negotiate, negotiates legal, financial, and technical terms of program, obtains approval by MCC's Board of Directors, and signs agreement, including any conditions precedents to be incorporated.

NEW AND DEVELOPING COMPACTS

Sierra Leone

MCC and the Government of Sierra Leone are developing a compact to address the country's constraint to reliable, accessible energy, building off of MCC's work in the energy sector completed under MCC's Sierra Leone threshold program that closed in 2021. Three potential projects are currently under consideration for MCC investment. One project expands Sierra Leone's electricity transmission grid with new, climate-resilient infrastructure. Another improves the resilience and stability of Sierra Leone's limited distribution network while also expanding the network to new customers. The third project supports the Government of Sierra Leone's efforts to improve utility performance as well as plan and coordinate energy sector investments, ensuring the sustainability of MCC projects and activities. MCC had planned to submit a compact to MCC's Board of Directors for approval in September 2023, but delayed compact development in response to serious concerns over the credibility of the June 2023 election in Sierra Leone. In December 2023, the MCC Board of Directors reselected Sierra Leone as eligible to continue developing a compact, noting the Board's expectation of continued progress toward meaningful election reform. MCC aims to submit the compact to the Board for approval in 2024.

Belize

MCC and the Government of Belize have worked in close collaboration to design two projects focusing on two binding constraints to growth—the low quality of education and high cost of electricity. The Education Project is designed to improve access to, and the quality of, secondary education, and reduce skills gaps in key growth industries to increase the number of post-primary graduates with the competencies needed by the labor market. The Energy Project aims to improve electricity sector governance and support the acquisition of low-cost renewable energy resources to decrease the cost of electricity. The compact is expected to be presented to MCC's Board for approval in June 2024, with compact signing by September 2024.

Côte d'Ivoire Regional Energy

MCC is developing a regional compact program in partnership with entities of the Economic Community of West African States (ECOWAS), including the West African Power Pool (WAPP), the future Information and Coordination Center (ICC), and the ECOWAS Regional Electricity Regulatory Authority (ERERA). The compact is expected to: (i) strengthen market integration between Côte d'Ivoire and the West African energy sector; (ii) reinforce Côte d'Ivoire's interconnected power grid to provide stable and affordable electricity to meet national demand and solidify its role as an anchor power exporter to the West Africa region; (iii) strengthen WAPP, ICC, and ERERA's institutional and operational capacity to monitor and ensure the effectiveness of the purchase, sale, and movement of energy around the West Africa grid to increase Côte d'Ivoire's energy trade; and (iv) build capacity in regional and national energy institutions to ensure environmentally sustainable and socially inclusive operations and service, enabling them to reach gender integration and universal access objectives. The compact's infrastructure activities will focus on modernizing the electricity grid network operations in Côte d'Ivoire via technology upgrades and battery storage for grid stabilization. The institutional support aspects of the compact will include technical assistance to improve the financial viability, governance (regulatory readiness and capacity),

and operational capacity of Ivoirian and regional energy entities. MCC expects to submit the compact to MCC's Board of Directors in September 2024.

Zambia

MCC is currently working with Government of Zambia to develop three potential compact projects in the transportation and agriculture sectors, including: (1) investment in roads and road maintenance to reduce the cost of transportation and logistics for agriculture, (2) increased production of crops and agro-processing in high-value agriculture chains through improved access to electricity, irrigation, and logistics investments, and (3) support for reforms that enable a more conducive environment for private sector agriculture investments. MCC aims to submit the compact to MCC's Board of Directors for approval in September 2024, with compact signing expected in FY 2025.

Togo

In December 2022, MCC's Board of Directors selected Togo as eligible to develop a compact. MCC is piloting a fast-track (24 month) compact development process with the country, and the Government of Togo designated a national coordinator in early 2023 to enable rapid and proactive engagement with MCC. The Government of Togo selected the energy and digital sectors as the focus of compact development based on constraints analysis to economic growth. Togo's aspiration is to strategically invest in the energy and digital sectors to modernize their economy, catalyze growth and serve as a hub of digital innovation in West Africa. MCC is working with the government to fully integrate digital applications to administer programmatic investments in connectivity, payments systems, and new innovations and local skills-building and education. If advanced, the investment would contribute to the approach and priorities set forth in the USG [Digital Transformation with Africa](#) (DTA) initiative. The Government of Togo has proposed several potential projects, and MCC and the Government of Togo will begin feasibility studies in early 2024 with a view to prioritizing and selecting those projects that best meet MCC's investment criteria as well as the criteria reflecting the fast-track development process. MCC aims to submit the compact to MCC's Board of Directors by the end of 2024.

The Gambia

MCC's Board of Directors selected The Gambia as eligible to develop a compact program in December 2022. The Government of The Gambia appointed a national coordinator, allocated an initial budget of \$1 million of government funding for the first year of compact development, and stood up a compact development team. The Government of The Gambia prioritized underutilization of the Gambia River and quality of education as the binding constraints to inclusive growth for further exploration and as a basis for a compact program. MCC is now exploring education investments that would increase the number of Gambians who have the knowledge, skills, and abilities for their economic advancement, as well as potential investments that would revitalize the Gambia River to reduce transport costs and increase tourism revenue and jobs. MCC aims to present the compact to MCC's Board of Directors for consideration in FY 2025.

Regional Senegal

In December 2022, MCC's Board of Directors selected Senegal as eligible to develop a concurrent regional compact. In October 2023, Senegal identified the blue economy as their sector of choice to move forward with development of the proposed regional compact. Blue economy is the sustainable development of Senegal's ocean, coastal, and freshwater resources to create new job opportunities for women, young people, and other vulnerable populations in the region. The Government of Senegal has formed a compact development team and has progressed to the next phase of compact development, the root cause analysis. MCC expects to complete compact development in FY 2025 and present the regional compact to the MCC Board for consideration in early FY 2026.

Regional Cabo Verde

In December 2023, MCC's Board of Directors selected Cabo Verde as eligible to develop a regional compact. MCC is now allocating staff and resources to support the regional compact development process, beginning with analysis of opportunities for growth in Cabo Verde's economy with a focus on enhancing regional integration, potentially leveraging existing and planned MCC compact investments in West Africa. MCC anticipates the government will identify a national coordinator and compact development team in early 2024, and that work will begin soon to identify potential investments.

THRESHOLD PROGRAMS

(in millions of \$)	FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
Total Appropriation/Request	930.0	930.0	937.0
Threshold Programs	31.0	51.0	31.0

MCC is requesting \$31 million for threshold program assistance in FY 2025 to provide for new country selections to be made in December 2024.

Threshold programs have proven to be an effective tool to incentivize improved performance on MCC's eligibility criteria in candidate countries and to support positive policy and institutional reforms to address binding constraints to economic growth in selected partner countries. MCC's Board of Directors may transition developing threshold programs to compact assistance which would shift the funding need to compact assistance. Developing thresholds, including Mauritania, Philippines, and Tanzania, and new threshold selections may have opportunities to be funded through reprogramming of funds from suspended compacts that may be terminated.

BACKGROUND

MCC's threshold programs are a powerful tool to support policy and institutional reforms that address binding constraints to economic growth and advance MCC's core mission. By focusing on policy reforms and strengthening institutions in critical sectors, threshold programs complement the "MCC Effect" created by MCC's scorecard and allow partner countries to demonstrate, and MCC to assess, the opportunity for an impactful and cost-effective partnership. Because MCC uses the same rigorous, evidence-based approach in threshold programs as it does in compacts, these programs are designed to maximize potential systemic impact and lay the foundation for larger investments. While countries selected for threshold program assistance are not guaranteed compact eligibility, successful engagement in the development and implementation of a threshold program can yield significant advantages for a potential future compact. If a country does not become compact eligible, a threshold program can help create the conditions for additional investment from the private sector or by other donors.

IMPLEMENTING THRESHOLD PROGRAMS

In FY 2024, MCC will be implementing five threshold programs:

- The Gambia threshold program (\$25 million) is supporting efforts to achieve universal energy access by 2025 through reduced frequency and duration of outages and improved governance and operational management of the national electricity utility.
- The Kenya threshold program (\$60 million) aims to improve integrated transport planning, first and last mile connections to public transport, and urban planning and land use throughout the Nairobi metropolitan area. The program also contains funding to catalyze private financing for the

acquisition of electric (or other low emission) buses to operate one or more lines of the bus rapid transit system.

- The Kiribati threshold program (\$29 million) aims to facilitate decent and inclusive employment by building the capabilities of the Kiribati Ministry of Employment and Human Resource, strengthening worker protections and family resilience, and establishing skills camps and academic scholarships for high school youth.
- The Solomon Islands threshold program (\$20 million) will promote sustainable economic development by strengthening the government’s capacity to manage inclusive tourism projects and potentially lead to entrepreneurship opportunities for women, as well as provide communities with economically viable alternatives to logging.
- The Togo threshold program (\$35 million) is designed to improve citizens’ access to high quality and affordable information and communications technology (ICT) services—both mobile phone services and internet—by encouraging private sector investment, developing an independent regulatory regime, expanding service to underserved areas, and increasing the use of ICT among women and small businesses. This threshold program will also seek to expand access to formalized land through the recognition and protection of legitimate land rights in five pilot areas across the country and to develop a regulatory framework to implement the proposed new land code.

NEW AND DEVELOPING THRESHOLD PROGRAMS

Mauritania

Mauritania was selected in December 2022 to develop a threshold program. In consultation with civil society and the private sector, MCC and the Government of Mauritania conducted an analysis of the constraints to inclusive economic growth, and selected energy and climate change as areas for deeper analysis. The Government of Mauritania has submitted project concepts to address the root causes of both constraints. MCC expects to submit a program for the Board’s consideration by the end of 2024.

Philippines and Tanzania

Exercising MCC’s restored authority to provide threshold program assistance to countries that previously implemented a compact, the MCC Board selected two new threshold programs, the Philippines and Tanzania, in December 2023. In recent years, both the Philippines and Tanzania have demonstrated renewed commitments to advancing critical reforms to strengthen democratic governance, protect human rights, and fight corruption. MCC is working with the government of each country to identify its constraints to economic growth and poverty reduction to determine the focus of the programs.

FUTURE PROGRAMS

The FY 2025 funding request will support programs with countries that may be selected by MCC’s Board of Directors in December 2024. The average program size for threshold programs since 2012 is approximately \$31 million, and the requested funding will support threshold programs with new countries should promising candidates emerge in the annual selection process.

COMPACT DEVELOPMENT & OVERSIGHT: COMPACT DEVELOPMENT FUNDING AND DUE DILIGENCE

Compact Development Funding and Due Diligence

(in millions of \$)	FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
Total Appropriation/Request	930.0	930.0	937.0
Compact Development/Oversight	113.5	94.5	105.5
Compact Development Funding	28.0	15.0	24.0
Due Diligence	85.5	79.5	81.5

Compact development and oversight comprise both compact development funding (CDF) as authorized under Section 609(g) of the Millennium Challenge Act of 2003, as amended, and due diligence funding. These funds support pre-compact planning and assessment, oversight activities during implementation, and post-compact evaluations—activities that are critical to the success of MCC programs and ensure that the agency, partner countries, and the development community can take advantage of the learning opportunities inherent in MCC programs.

For FY 2025, the request includes \$105.5 million for compact development and oversight, further broken down with \$24 million planned toward compact development funding and \$81.5 million for due diligence to support monitoring, programmatic oversight, and data collection and evaluation.

COMPACT DEVELOPMENT FUNDING

CDF allows MCC to grant funding for eligible countries for the purposes of facilitating the development of a compact, as noted in section 609(g) of MCC's authorizing statute. Laying the groundwork for compact programs helps MCC improve the quality of compacts and the ability of partner countries to implement the programs successfully. Such groundwork includes project design studies, feasibility studies, environmental and social impact assessments, engineering and geotechnical designs, economic baseline surveys, technical assessments of financial management and procurement capabilities, and other specialized analyses that help partner countries fully prepare projects that can be implemented within the fixed five-year timeframe, within budget, and achieve substantial results for compact programs.

The CDF requested for FY 2025 will support the programs to be selected in December 2024 as they launch their development processes.

DUE DILIGENCE

MCC utilizes due diligence funds at every stage of the compact and threshold program lifecycle. Due diligence funds allow MCC to obtain information that is necessary to evaluate proposed projects during compact and threshold development, to effectively oversee and monitor projects during implementation, and to evaluate the results after close-out. These funds are utilized in procuring the technical expertise required throughout the compact and threshold lifecycles and allow MCC to right-size contractor support requirements based on the relative size and diversity of its portfolio.

Due diligence funds are utilized after program closure in order to conduct independent impact and performance evaluations that use rigorous statistical methods to measure results related to MCC activities. In addition to offering valuable lessons on how MCC can improve, independent evaluations provide critical information about program successes and ensure that our development projects have the intended impact on the people they are meant to serve. Each of these independent evaluation packages is fully available to the public on the [MCC Evidence Platform](#), an interactive web-platform designed to encourage the use of MCC's data and analysis.

Due diligence funds also support data and technical expertise needed for calculating economic rates of return for compact projects. Through pre-compact economic modeling of expected economic rates of return, MCC chooses which projects are most likely to generate benefits (specifically, increased income for program beneficiaries) and serves to refine program design to optimize results. Economic modeling done after compact closeout helps to assess the cost effectiveness of the agency's programs.

ADMINISTRATIVE EXPENSES

Administrative Expenses

(in millions of \$)	FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
Total Appropriation/Request	930.0	930.0	937.0
Total Administrative Expenses	130.0	130.0	146.0
Human Capital	74	82	84
Training	2	1	2
Overseas Operations	13	14	15
Contracted Services	14	9	14
Information Technology	15	13	17
Rent, Leasehold & Improvements	8	7	8
Travel	4	4	6
Other Administrative Expenses	0	-	-

For FY 2025, MCC requests \$146 million in administrative expenses that support mission critical functions, such as overseas operational support, human capital, human resources, domestic and international security, financial management and oversight, contracts and grants acquisition, shared service provider support, travel and travel support, audit and risk management, facilities management, rent, information technology, and cybersecurity.

HUMAN CAPITAL

The budget includes \$84 million toward human capital expenses, reflecting MCC's commitment to retaining and recruiting high-caliber staff with specialized skills to provide quality program oversight.

The FY 2025 budget reflects the outyear impacts of recent salary increases, including FY 2023 and FY 2024 increases of over five percent each year (in line with the proposed General Schedule (GS) scale cost of living adjustments of 4.9% and 5.2% respectively), as well as an additional 2.1% increase for FY 2025 as projected for federal agencies. MCC uses a merit pay (or pay-for-performance) framework, which provides staff with pay raises based on their performance ratings. Like the GS pay scale, MCC also includes comparable increases to the established pay bands. Both adjustments are in line with standard inflationary increases for full-time equivalent (FTE) civil servants.

MCC conducted a human capital assessment in FY 2023 that aimed to identify acute bottlenecks and workload burdens across the agency. As a result, the agency added 14 prioritized FTE positions to alleviate the highest workload burdens, streamline operations, and to address new requirements, e.g. related to labor relations in light of MCC's newly unionized environment. The budget also includes the standard additional FTE positions required to manage overseas operations as programs progress from development to implementation.

OVERSEAS OPERATIONS

MCC's FY 2025 budget includes \$15 million to continue supporting overseas administrative operations, including locally-engaged staff salaries and benefits, and resident country management team costs, including rent, residential allowances, relocation expenses, travel related to resident country mission, shipping, office and residential furniture, IT equipment, and official vehicles. MCC's overseas presence is projected to increase, as four compacts are expected to enter into force and three new programs are added to the portfolio in FY 2024 which will increase MCC's share of FY 2025 International Cooperative Administrative Support Services (ICASS) and Capital Security Cost Sharing expenses. In addition, this request factors in global inflationary increases impacting the cost of doing business. Although MCC continuously reviews the costs related to overseas operations to maximize the use of funding while providing adequate support toward the relatively small overseas presence (typically two FTE per compact and one per threshold program), the agency continues to see an upward trajectory in year over year ICASS, security, shipping, and deployment costs in support of our portfolio of countries.

INFORMATION TECHNOLOGY (IT)

Within this request, \$17 million for information technology (IT) support has been included, factoring in additional costs to ensure MCC's IT environment meets cybersecurity standards. IT has an integral role in supporting agency-wide operations and initiatives, including providing process automation, delivering services for the publication of program data, enhancing analytical services, delivering communication and cloud-based collaboration tools, and providing ongoing improvements for reporting grant disbursements for MCC's country partners.

Cybersecurity threats keep evolving, and overall risk remains high. MCC continues to enhance its monitoring and behavior analytics capabilities and is integrating them with its Security Operations Center. MCC participates in annual Federal Information Security Management Act audits conducted by the USAID Office of Inspector General, and reports to Congress and OMB on the findings and recommendations. MCC continues to implement capabilities in partnership with the Department of Homeland Security Continuous Diagnostic Monitoring Program and publishes its cybersecurity metrics through the government-wide dashboard. Beginning in FY 2023 and continuing through FY 2025, MCC will focus on implementing modernizations to its technology infrastructure consistent with the zero-trust principles outlined in Executive Order 14028 on Improving the Nation's Cybersecurity and subsequent guidance on zero-trust from the Cybersecurity & Infrastructure Security Agency, and OMB memo M-22-09.

MCC continues to upgrade infrastructure and systems through incremental deployments and uses a multi-year approach to address its technology backlog and refresh aging equipment. Demand for digital services remains high, playing a central role in supporting MCC's mission-focused systems and data-driven decision making. MCC continues to demonstrate its commitment to open data and will continue investing in leveraging data as a strategic asset and participating in open data and transparency initiatives. As noted previously, MCC was recognized by the International Aid Transparency Index as the highest performing US agency, and the highest performing bilateral agency worldwide. MCC's Evidence Platform encourages the use of MCC's data, documentation, and analysis as global public goods to support mutual accountability for the agency and its country partners, and to encourage learning from measured results.

RENT

MCC anticipates \$8 million being needed in FY 2025 for known, continuing rent costs for office space at MCC's headquarters inclusive of inflationary increases built into our lease agreement. MCC's existing lease agreement is due to expire in December 2025 (first quarter of FY 2026) and the agency is currently conducting a lease assessment analysis to explore options of renegotiating the lease and remaining in existing space which may require leasehold improvements, retrofitting, or pursuing a move to new office space.

OFFICE OF INSPECTOR GENERAL

Office of Inspector General

(in millions of \$)	FY 2023 Enacted	FY 2024 Annualized CR	FY 2025 Request
Total Appropriation/Request	930.0	930.0	937.0
Office of the Inspector General	4.5	4.5	4.5

The estimates for the funding level of the Office of Inspector General (OIG) in this submission are based on previously requested levels and the not-to-exceed amount authorized in the Millennium Challenge Act of 2003, as amended, for this purpose. MCC and USAID OIG establish an interagency agreement on an annual basis in support of oversight of MCC's programs.

PROPOSED LEGISLATIVE CHANGES

MCC seeks two legislative changes that would increase the agency’s impact and better enable it to fulfill its congressionally mandated mission to reduce poverty through economic growth. The proposed changes are as follows:

CANDIDATE COUNTRY REFORM

The Millennium Challenge Act of 2003, as amended, currently defines MCC’s candidate country pool in a way that prevents MCC from considering numerous middle-income countries that face substantial threats to their economic development paths and ability to reduce poverty. MCC’s candidate country pool should be redefined via legislation to allow MCC to apply its selection model to countries below the IBRD graduation threshold and increase MCC’s capacity to reduce poverty through economic growth in vulnerable countries.

Text of proposed change is as follows:

SEC. 1. MODIFICATIONS OF REQUIREMENTS TO BECOME A CANDIDATE COUNTRY.

Section 606 of the Millennium Challenge Act of 2003 (22 U.S.C. 7705) is amended to read as follows:

“SEC. 606. CANDIDATE COUNTRIES.

“(a) In General. – A country shall be a candidate country for purposes of eligibility to receive assistance under section 605 if –

“(1) the per capita income of the country in a fiscal year is equal to or less than the World Bank threshold for initiating the International Bank for Reconstruction and Development graduation process for the fiscal year; and

“(2) subject to subsection (b), the country is not ineligible to receive United States economic assistance under part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) by reason of the application of any provision of the Foreign Assistance Act of 1961 or any other provision of law.

“(b) Rule of Construction. – For the purposes of determining whether a country is eligible, pursuant to subsection (a)(2), to receive assistance under section 605, the exercise by the President, the Secretary of State, or any other officer or employee of the United States Government of any waiver or suspension of any provision of law referred to in subsection (a)(2), and notification to the appropriate congressional committees in accordance with such provision of law, shall be construed as satisfying the requirements under subsection (a).

“(c) Determination by the Board. – The Board shall determine whether a country is a candidate country for purposes of this section.”

SEC. 2. CONFORMING AMENDMENTS.

(a) Amendment to Report Identifying Candidate Countries. – Section 608(a)(1) of the Millennium Challenge Act of 2003 (22 U.S.C. 7707(a)(1)) is amended by striking “section 606(a)(1)(B)” and inserting “section 606(a)(2)”.

(b) Amendment to Millennium Challenge Compact Authority. – Section 609(b)(2) of such Act (22 U.S.C. 7708(b)(2)) is amended –

(1) by amending the paragraph heading to read as follows: “COUNTRY CONTRIBUTIONS”; and

(2) by striking “with respect to a lower middle income country described in section 606(b).”

(c) Amendment to Authorization to Provide Assistance for Candidate Countries. – Section 616(b)(1) of such Act (22 U.S.C. 7715(b)(1)) is amended by striking “subsection (a) or (b) of section 606” and inserting “section 606(a)”.

SEC. 3. MODIFICATION TO FACTORS IN DETERMINING ELIGIBILITY.

Section 607(c)(2) of the Millennium Challenge Act of 2003 (22 U.S.C. 7706(c)(2)) is amended in the matter preceding subparagraph (A) by striking “consider” and inserting “prioritize need and impact by considering”.

ANNUAL REPORT REQUIREMENTS

MCC is seeking to update its annual report requirements to streamline reporting and allow the agency to directly showcase its accomplishments each fiscal year. The proposed language would amend MCC’s authorizing statute to make the report due to Congress sooner, on the third Friday in December each year, rather than March 31 of the following year, as is currently required, and to assign the function of submitting the report to MCC’s CEO, in line with the practice at similar agencies.

The text of the proposed change is as follows:

In General. – Section 613 of the Millennium Challenge Act of 2003 (22 USC 7712) (the Act) is amended –

- by striking the current subsection (a);
- by inserting within subsection (a) the following:

“(a) Report. No later than the third Friday of December of each year, the Chief Executive Officer shall submit to Congress a report on the assistance provided under section 605 of this title during the prior fiscal year.”

ANNUAL PERFORMANCE REPORT

COMPACT AMOUNTS AT SIGNING AND KEY DATES

Partner Country	Compact Amount* (in millions)	Signed	Entry Into Force	Compact End Date
Madagascar	\$109.8	04/18/2005	07/27/2005	08/31/2009
Honduras	\$215.0	06/14/2005	09/30/2005	09/30/2010
Cabo Verde	\$110.1	07/05/2005	10/18/2005	10/18/2010
Nicaragua	\$175.0	07/15/2005	05/26/2006	05/26/2011
Georgia	\$395.3	09/12/2005	04/07/2006	04/07/2011
Benin	\$307.3	02/22/2006	10/06/2006	10/06/2011
Vanuatu	\$65.7	03/02/2006	04/28/2006	04/28/2011
Armenia	\$235.7	03/27/2006	09/29/2006	09/29/2011
Ghana	\$547.0	08/01/2006	02/16/2007	02/16/2012
Mali	\$460.8	11/13/2006	09/18/2007	08/24/2012
El Salvador	\$460.9	11/29/2006	09/20/2007	09/20/2012
Mozambique	\$506.9	07/13/2007	09/22/2008	09/22/2013
Lesotho	\$362.6	07/23/2007	09/17/2008	09/17/2013
Morocco	\$697.5	08/31/2007	09/15/2008	09/15/2013
Mongolia	\$284.9	10/22/2007	09/17/2008	09/17/2013
Tanzania	\$698.1	02/17/2008	09/17/2008	09/17/2013
Burkina Faso	\$480.9	07/14/2008	07/31/2009	07/31/2014
Namibia	\$304.5	07/28/2008	09/16/2009	09/16/2014
Senegal	\$540.0	09/16/2009	09/23/2010	09/23/2015
Moldova	\$262.0	01/22/2010	09/01/2010	09/01/2015
Philippines	\$433.9	09/23/2010	05/25/2011	05/25/2016
Jordan	\$275.1	10/25/2010	12/13/2011	12/13/2016
Cabo Verde	\$66.2	02/10/2012	11/30/2012	11/30/2017
Indonesia	\$600.0	11/19/2011	04/02/2013	04/02/2018
Malawi	\$350.7	04/07/2011	09/20/2013	09/20/2018
Zambia	\$354.8	05/10/2012	11/15/2013	11/15/2018
Georgia	\$140.0	07/26/2013	07/01/2014	07/01/2019
El Salvador	\$277.0	09/30/2014	09/09/2015	09/09/2020
Ghana	\$315.9	08/05/2014	09/06/2016	06/06/2022
Benin	\$391.0	09/09/2015	06/22/2017	06/22/2023
Liberia	\$256.7	10/02/2015	01/20/2016	01/20/2021
Morocco	\$460.5	11/30/2015	06/30/2017	03/31/2023
Niger	\$442.6	07/29/2016	01/26/2018	01/26/2024
Côte d'Ivoire	\$536.7	11/07/2017	08/05/2019	

Partner Country	Compact Amount* (in millions)	Signed	Entry Into Force	Compact End Date
Mongolia	\$350.0	07/27/2018	03/31/2021	
Senegal	\$550.0	12/10/2018	09/09/2021	
Nepal	\$500.0	09/14/2017	08/30/2023	
Burkina Faso	\$450.0	08/13/2020	Terminated	
Lesotho	\$300.0	05/12/2022		
Kosovo	\$202.0	07/15/2022		
Timor-Leste	\$420.0	07/18/2022		
Malawi	\$350.0	09/28/2022		
Benin (regional)	\$202.0	12/14/2022		
Niger (regional)	\$302.0	12/14/2022		
Indonesia	\$649.0	04/13/2023		
Mozambique	\$500.0	09/21/2023		

* The values above are the signed compact amounts, except for the compacts that were extended in 2020-2021, which reflect the revised amounts. They do not reflect lower actual expenditures due to early terminations or funds not being fully spent.

COMPACT COMMITMENTS, OBLIGATIONS, AND PLAN BY FISCAL YEAR OF APPROPRIATION

Developing Compacts

Planned Funding - As of December 2023

Country Program	Fiscal Year of Appropriation														
	2012 & Prior	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Tunisia															
Sierra Leone								15	80			285	100		481
Belize												15	110		125
Regional Energy Cote d'Ivoire								100				25	165		300
Zambia													275	175	450
Togo														390	390
The Gambia														85	85
Regional Senegal															-
Regional Cabo Verde															-
Planned	-	-	-	-	-	-	-	115	80	-	-	335	650	650	1,831

Active Compacts

Planned Funding - As of December 2023

Country Program	Fiscal Year of Appropriation												
	2012 & Prior	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Cote d'Ivoire	53	9	272	10	26	167							537
Indonesia	127		3		135			113	136	35	81	20	649
Kosovo								50		76	76		202
Lesotho			145					113	43				300
Malawi									27	243	80		350
Mongolia	100			1		95	154						250
Mozambique								92			117	291	500
Nepal	108	10		69	107	129	77						500
Niger	58				379				6				443
Regional Transport Benin											202		202
Regional Transport Niger										300	2		302
Senegal	21		1				447	81					550
Timor-Leste									330		90		420
Committed and Obligated	466	19	420	80	647	391	678	449	542	654	647	311	5,304

Closed Compacts

Obligations - As of December 2023
\$'s in millions

Country Program	Fiscal Year of Appropriation																	Total
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Armenia		177																177
Benin		302																302
Benin II			6				10			207		167						389
Burkina Faso					475													475
Burkina Faso II																2	3	5
Cabo Verde	109																	109
Cabo Verde II									66									66
El Salvador			362	88														450
El Salvador II					8				105	158								271
Georgia	290	24		17	56													387
Georgia II									139									139
Ghana		536																536
Ghana II			24							273	14							311
Honduras	204																	204
Indonesia		49						425										474
Jordan						55	218											273
Lesotho				358														358
Liberia												238						238
Madagascar	86																	86
Malawi							208	137										345
Mali			434															434
Moldova	90	16	8	1	9	86	49											259
Mongolia				269														269
Morocco		72	578															650
Morocco II			3	14	14	21	8	50	3	1	165	163					7	449

Country Program	Fiscal Year of Appropriation													Total				
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		2017	2018	2019	2020
Mozambique				448														448
Namibia				219	76													296
Nicaragua	113																	113
Philippines						385												385
Senegal						433												433
Tanzania					695													695
Vanuatu		65																65
Zambia									332									332
Total Closed Compacts	891	1,242	1,415	1,414	1,332	596	878	611	645	638	179	567	-	-	-	2	9	10,420

THRESHOLD PROGRAM AMOUNTS AT SIGNING AND KEY DATES

Partner Country	Threshold Program Amount* (in millions)	Signed	End Date
Burkina Faso	\$12.9	07/22/2005	09/30/2008
Malawi	\$20.9	09/29/2005	09/30/2008
Albania	\$13.9	04/03/2006	11/15/2008
Tanzania	\$11.2	05/03/2006	12/30/2008
Paraguay	\$34.6	05/08/2006	08/31/2009
Zambia	\$22.7	05/22/2006	02/28/2009
Philippines	\$20.7	07/26/2006	05/29/2009
Jordan	\$25.0	10/17/2006	08/29/2009
Indonesia	\$55.0	11/17/2006	12/31/2010
Ukraine	\$45.0	12/04/2006	12/31/2009
Moldova	\$24.7	12/15/2006	02/28/2010
Kenya	\$12.7	03/23/2007	12/31/2010
Uganda	\$10.4	03/29/2007	12/31/2009
Guyana	\$6.7	08/23/2007	02/23/2010
São Tomé & Príncipe	\$8.7	11/09/2007	04/15/2011
Kyrgyz Republic	\$16.0	03/14/2008	06/30/2010
Niger	\$23.1	03/17/2008	12/31/2015
Peru	\$35.6	06/09/2008	09/30/2012
Rwanda	\$24.7	09/24/2008	12/31/2011
Albania	\$15.7	09/29/2008	07/31/2011
Paraguay	\$30.3	04/13/2009	07/31/2012
Liberia	\$15.1	07/06/2010	12/15/2013
Timor-Leste	\$10.5	09/22/2010	03/31/2014
Honduras	\$15.7	08/28/2013	05/31/2019
Guatemala	\$28.0	04/08/2015	10/31/2021
Sierra Leone	\$44.4	11/17/2015	03/31/2021
Kosovo	\$49.0	09/12/2017	09/30/2022
Togo	\$35.0	02/14/2019	
The Gambia	\$25.0	11/16/2021	
Solomon Islands	\$20.0	01/22/2022	
Kenya	\$60.0	09/19/2023	
Kiribati	\$29.1	09/25/2023	

* Please note that the values above are the signed threshold program amounts and do not reflect lower actual expenditures due to early terminations or funds for a threshold program not being fully spent.

RESULTS OF RECENTLY CLOSED COMPACTS

Morocco Employability and Land Compact

MCC's compact with the Government of Morocco was designed to address two key binding constraints to economic growth which were also key priorities for the Moroccan Government: (1) the quality of education and its responsiveness to private sector needs, and (2) land productivity. The **Education and Training for Employability Project** piloted projects designed to improve the quality and relevance of secondary education and technical and vocational training, in partnership with local communities and with the private sector. These projects also included significant policy reforms to ensure sustainability of the investments and an environment where students could more easily move from the educational system to the job market.

Independent evaluations found that the \$113 million Secondary Education Activity had been well-implemented and well-received by teachers, school administrators, and students, and that there are promising signs that the changes promoted by the intervention have increased student engagement and learning.

The Integrated School Improvement Model centered on (1) strengthening the administrative and financial autonomy of schools, (2) promoting student-centered pedagogy, and (3) improving the overall physical learning environment. The model, implemented at 90 schools, supported parents, teachers, and school administrators to jointly develop integrated and locally managed school improvement plans, launch clubs or extracurricular activities, and identify other school priorities. The Moroccan Ministry of Education is nationalizing this approach to school management due to the popularity of the program, though there are concerns that the program may be less effective as the Government of Morocco has fewer resources than anticipated to implement this proposed program.

To promote student-centered learning, the activity developed a series of teacher training modules, focused on both teaching best practices and specific subject areas. Students and teachers reported changes in teaching approaches that promote active learning and greater student participation. As with the school improvement plans, the Ministry of Education has decided to nationalize the online trainings by making them available to all teachers.

Finally, the project improved school infrastructure by building new science labs and multipurpose rooms; rehabilitating old buildings, particularly updating bathrooms; and providing schools with needed equipment such as IT equipment and science supplies. Improvements were completed at all intended schools, and students, teachers, school administrators, and parents generally reported being happy with the improvements. MCC will further investigate the initial findings in 2025 to determine the longer-term impacts and sustainability of the program, including whether the program impacted student learning.

The Education and Training for Employability Project also focused on modernizing labor market statistics, upgrading student evaluation systems, and testing a results-based financing model for job insertion for marginalized youth and women. The compact funded the construction and rehabilitation of 15 technical and vocational training centers in Morocco, with construction completed on 14 of these centers by the compact end date of March 31, 2023, with the Government of Morocco having completed the final center in summer 2023. Additionally, 280 companies participated in the Professional Equality Trophy contest, a

competition sponsored by the Ministry of Economic Inclusion which rewards companies for initiatives to recruit and retain women in the workplace.

The **Land Productivity Project** was designed to increase land productivity in Morocco by enabling land markets to better respond to investor demand and by strengthening the enabling environment for investment in land, particularly for industrial and collectively owned land. The compact also helped the Moroccan government to deliver land ownership rights via a faster and more-inclusive process, with land titles established for over 95% of the 56,000 hectares covered by the project by March 2023. In addition, MCA-Morocco and the Government of Morocco signed two public-private partnership (PPP) agreements for new industrial zones, which represent the first-ever industrial zones operating under a PPP model in Morocco, in addition to funding 9 industrial zone projects across the country through the Fund for Sustainable Industrial Zones, which is now being replicated by the Moroccan Ministry of Industry. Finally, the compact supported land governance policies and reforms, which included the establishment of a Center of Inclusion for Women in Land, a center designed to provide information to women about their land rights which included a national communications campaign. The compact ended on March 31, 2023, with 98% of the \$460.5 million compact having been successfully disbursed.

Preliminary Results (as of compact end date)

Education and Training for Employability Project

- Workforce Development Activity
 - 5,187 of 5,531 targeted participants completed training offered by the results-based financing job placement program
 - 2,069 of 4,168 targeted participants were initially placed in a formal job
 - 280 companies participated in the Professional Equality Trophy contest (no target established)
- Secondary Education Activity
 - 1,950 classroom instructors in compact-supported schools completed at least two training modules (no target established)
 - Compact-funded schools were, for the first time, provided funding by the Government of Morocco to address their school's priorities as part of a School Improvement Plan which the school communities developed through a participatory process. By the end of the compact, the 90 schools disbursed \$3.4 million (an average of \$38,000 per school) to address their schools' unique needs
 - 89 of the 90 targeted educational facilities had their rehabilitation works substantially completed by the end of the compact
 - 88,451 students participated in MCC-supported education activities, exceeding the target of 80,719

Land Productivity Project

- Land Governance Activity
 - The Center for the Inclusion of Women in land was created on December 23, 2022
 - 246 stakeholders were trained (no target established)
- Rural Land Activity
 - 45,461 of the 48,209 targeted right holders and heirs received a title
 - 54,577 of the 60,868 targeted hectares of collective land were transferred to private ownership
- Industrial Land Activity
 - 568 stakeholders were trained (no target established)
 - \$51,571,668 of private financing leveraged through PPP (no target established)
 - \$44,508,163 of external resources were leveraged in grant agreements (no target established) (for FONZID)

Benin Power Compact

The \$391 million Benin Power Compact was implemented over six years, from 2017-2023, with an additional year granted by the U.S. Congress because of the COVID-19 pandemic. Compact results include the following:

- The capacity of Benin's electric power grid was tripled, as measured by high and medium-voltage transformer capacity.
- 19 substations and 878 kilometers of power lines were built or rehabilitated, and successfully commissioned.
- Principal and back-up electricity dispatch and control centers were built and commissioned, enabling real-time power grid monitoring, command, and control for the first time.
- Benin adopted a policy, strategy, master plan, and regulatory framework for off-grid electrification that has been hailed as a model for West Africa.
- Benin's power utility reached profitability through a 15% electricity tariff increase.
- Benin adopted a framework for independent power producers.
- A transaction for 50 megawatts of solar photovoltaic generation capacity reached commercial close, although financial close failed.
- Hazardous materials treatment platforms were built to manage transformer oils and contaminated soils.

An independent evaluation of the Benin Power Compact's \$31 million Off-Grid Electricity Access Project found that the project facilitated over 42,700 new connections, meaning that an estimated 210,000

people gained access to electricity, many for the first time. The new regulatory framework ensured private interest and investment in the off-grid sector, and the grant facility leveraged over \$30 million in private sector funding. However, the number of new connections fell short of the compact's ambitious 66,000 target, and the compact timeline was insufficient to both fully implement the new framework and to allow all envisaged grant facility investments to be made. MCC has drawn important lessons from this project on how to efficiently implement a grant facility, especially in a nascent sector, such as in Benin's off-grid energy sector. The Benin Power Compact ended on June 22, 2023, with a 99.5% disbursement rate.

COMPACT MODIFICATIONS

Program	Project/Activity	Programmatic Change	Description
Nepal	Electricity Transmission Project (ETP); Road Maintenance Project (RMP)	The modifications increased the budget of the ETP through reallocation within the existing grant funding and an increase of \$67 million in the Government of Nepal contribution to help fund the 18km cross-border segment of the Transmission Lines Activity and expanded substation bay capacity under the Substations Activity of the ETP. The modifications to the RMP changed the scope to increase planned full depth reclamation (FDR) work under the Pavement Recycling sub-activity, expanding the segment length that would use FDR while reducing the length of road that would undergo periodic maintenance under the Compact.	Modification completed in May 2023 addressed the following: (1) On the Electricity Transmission Project, increased the estimated costs of the Transmission Line Activity by \$25.3 million, and increased estimated costs of the Project Management Activity by \$14 million, with the cost increases covered by \$22.3 million in funds reallocated from the Substations Activity, Monitoring and Evaluation, and Program Administration and \$17 million in funds from the additional government contribution; and (ii) within the Program Administration budget, reallocated \$5.8 million from the Procurement/Fiscal Agent Activity to MCA-Nepal Administration. (2) Changes in Scope: on the Road Maintenance Project, increased the kilometers of FDR work to approximately 40 km; and reduced kilometers of periodic roads maintenance from a maximum of 305 km to a maximum of 90 km.

Program	Project/Activity	Programmatic Change	Description
Senegal	Transmission Project		Modification approved in May 2023 to address a \$30 million budget shortfall in Transmission Project contingencies. The Government of Senegal agreed to cover the shortfall, which allowed the contract for the undersea transmission cable to be signed.
	Transmission Project and Access Project	Partial descope of the Grid Stabilization Activity under the Transmission Project	Modification approved in January 2024 to partially descope an activity under the Transmission Project and reallocate funds within and between the Transmission and the Access Projects totaling \$23.2 million. The modification was needed to address budget shortfalls in both projects caused by inflationary market pressures and revised project costs.
Benin	Electricity Distribution Project	N/A	\$3 million reallocation approved May 2023 for purchase of additional grid-strengthening equipment and to complete electricity dispatch and control center

ESTIMATING COMPACT BENEFICIARIES AND BENEFITS

Under MCC’s results framework, beneficiaries are defined as an individual and all members of his or her household who will experience an income gain as a result of MCC’s interventions. MCC considers that the entire household will benefit from the income gain and counts are multiplied by the average household size in the area or country. The beneficiary standard makes a distinction between individuals participating in a project and individuals expected to increase their income as a result of the project. Before signing a compact, MCC estimates the expected long-term income gains through a rigorous benefit-cost analysis. MCC may reassess and modify its beneficiary estimates and/or the net present value when project designs change during implementation.

Compact	Estimated Number of Beneficiaries	Estimated Net Benefits over the Life of the Project (Net Present Value)²
Armenia	428,000	\$150,429,000
Benin	14,059,000	\$140,400,000
Benin Power	11,000,000	(\$14,200,000)
Benin-Niger Regional	1,600,000	\$28,040,000
Burkina Faso	1,181,000	(\$127,737,000)
Cape Verde	385,000	\$84,600,000
Cape Verde II	604,000	\$72,000,000
Cote d'Ivoire	11,300,000	\$493,100,000
El Salvador	706,000	\$262,100,000
El Salvador Investment	6,446,000	<i>Forthcoming</i>
Georgia	143,000	\$166,000,000
Georgia II	1,166,000	\$106,300,000
Ghana	1,217,000	\$520,400,000
Ghana Power	7,800,000	(\$31,000,000)
Honduras	1,705,000	\$252,500,000
Indonesia	51,500,000	\$129,700,000 ³
Indonesia Infrastructure and Finance ³	28,000	\$58,882,000
Jordan	3,000,000	\$89,300,000
Kosovo ³	1,800,000	<i>Forthcoming</i>
Lesotho	1,041,000	\$75,500,000
Lesotho Health and Horticulture	2,591,000	(\$17,404,000)
Liberia	3,273,000	(\$43,000,000)
Madagascar	480,000	\$46,800,000
Malawi	983,000	\$234,100,000
Malawi Transport and Land	5,394,000	<i>Forthcoming</i>
Mali	2,837,000	\$136,300,000
Moldova	414,000	(\$66,700,000)
Mongolia	2,058,000	\$46,803,000
Mongolia Water	2,430,000	<i>Forthcoming</i>
Morocco	1,695,000	\$610,200,000
Morocco Employability and Land	828,000	<i>Forthcoming</i>
Mozambique	2,685,000	\$120,900,000
Mozambique Connectivity and Coastal Resilience	57,400,000	\$188,400,000
Namibia	1,063,000	\$133,800,000
Nepal	28,000,000	<i>Forthcoming</i>
Nicaragua	119,000	\$11,500,000
Niger	4,032,000	\$103,911,000
Philippines	125,822,000	\$159,700,000
Senegal	1,600,000	\$85,879,000 ³

Compact	Estimated Number of Beneficiaries	Estimated Net Benefits over the Life of the Project (Net Present Value)²
Senegal Power	12,781,000	\$675,285,000
Tanzania	5,425,000	\$307,845,000
Timor-Leste ³	958,000	\$81,264,000
Vanuatu	15,000	\$83,500,000
Zambia	1,200,000	\$62,200,000
Total for All Compacts	381,192,000	\$5,417,597,000

Notes:

1 The table includes estimates for compacts that have been signed and have economic rates of returns (ERRs) from which income benefit calculations can be drawn. The estimates are calculated using information available at the time of publication and may not capture the full count of beneficiaries and net benefits. As such, these estimates are subject to change as the compact is further developed and/or implemented, and new information is available. These estimates do not include the projected beneficiaries of projects or activities that have been terminated or suspended by MCC (Madagascar, Honduras, Nicaragua, Mongolia, Armenia, and Burkina Faso). In the case of Madagascar, the estimates account for the compact’s early termination.

2 The net present value (NPV) illustrates the net benefits, which subtract the discounted costs from the discounted benefits. MCC cost-benefit analyses report two main summary statistics: the economic rate of return (ERR) and NPV. These provide a more complete picture and allow for comparison across projects.

3 The estimated number(s) accounts for only a portion of the compact and not the full compact.




MCC RESULTS

Implementation Results by Sector





MCC and its country partners develop and tailor monitoring and evaluation plans for each program. Within these country-specific plans, MCC uses common indicators to standardize measurement and reporting within key investment sectors. See below for a subset of common indicators that summarize implementation achievements across all programs in MCC’s key investment sectors as of December 2023.

Agriculture and Irrigation

Common Indicator	Achievements since 2005	Active and Closed Programs Measured
 Farmers trained	437,704	Armenia, Burkina Faso, Cabo Verde I, El Salvador I, Ghana I, Honduras, Indonesia I, Madagascar, Mali, Moldova, Morocco I, Morocco II, Mozambique, Namibia, Nicaragua, Niger




Common Indicator	Achievements since 2005	Active and Closed Programs Measured
 Farmers who have applied improved practices as a result of training	127,112	Armenia, Burkina Faso, Cabo Verde I, El Salvador I, Ghana I, Honduras, Madagascar, Mali, Moldova, Nicaragua, Niger
 Enterprises that have applied improved techniques	1,016	Armenia, Burkina Faso, El Salvador I, Ghana I, Madagascar, Moldova, Morocco I
 Hectares under improved irrigation	203,963	Burkina Faso, Cabo Verde I, Ghana I, Honduras, Mali, Moldova, Morocco I, Senegal I

Education





Common Indicator	Achievements since 2005	Active and Closed Programs Measured
 Educational facilities constructed or rehabilitated	906	Burkina Faso, El Salvador I, El Salvador II, Georgia II, Ghana I, Mongolia I, Morocco II, Namibia
 Instructors trained	13,402	Burkina Faso, El Salvador I, El Salvador II, Georgia II, Guatemala, Mongolia I, Morocco I
 Students participating in MCC-supported education activities	483,291	Burkina Faso, Cote d'Ivoire, El Salvador I, El Salvador II, Georgia II, Ghana I, Guatemala, Mongolia I, Morocco I, Morocco II, Namibia
 Graduates from MCC-supported education activities	80,341	Burkina Faso, Cote d'Ivoire, El Salvador I, Georgia II, Guatemala, Mongolia I, Morocco I, Namibia

Energy

Common Indicator	Achievements since 2005	Active and Closed Programs Measured
 Megawatts of generation capacity added	113	Indonesia I, Liberia, Malawi I



Common Indicator	Achievements since 2005	Active and Closed Programs Measured
 Megavolt amps of substation capacity added	3,750	Benin II, Ghana II, Liberia, Malawi I, Tanzania
 Kilometers of electricity lines upgraded or built	7,987 (4,963 miles)	Benin II, El Salvador I, Ghana II, Indonesia I, Liberia, Malawi I, Senegal II, Tanzania
 Customer connections added by project	44,507	El Salvador I, Indonesia I

Land



Common Indicator	Achievements since 2005	Active and Closed Programs Measured
 Legal and regulatory reforms adopted	135	Burkina Faso, Cabo Verde II, Ghana I, Lesotho I, Madagascar, Mongolia I, Morocco II, Namibia
 Land administration offices established or upgraded	399	Burkina Faso, Cabo Verde II, Ghana I, Lesotho I, Madagascar, Mali, Mongolia I, Mozambique I
 Land rights formalized	325,778	Burkina Faso, Cabo Verde II, Lesotho I, Mongolia I, Mozambique I, Namibia, Niger, Senegal I
 Parcels corrected or incorporated in land system	364,495	Burkina Faso, Cabo Verde II, Ghana I, Lesotho I, Mongolia I, Morocco II, Mozambique I, Namibia, Niger, Senegal I

Transportation

Common Indicator	Achievements since 2005	Active and Closed Programs Measured
 Kilometers of roads under design	4,773 (2,966 miles)	Burkina Faso, Cabo Verde I, Cote d'Ivoire, El Salvador I, El Salvador II, Ghana I, Honduras, Moldova, Mongolia I, Mozambique I, Nicaragua, Niger, Philippines, Senegal I, Tanzania, Vanuatu

Common Indicator	Achievements since 2005	Active and Closed Programs Measured
 Kilometers of roads under works contracts	4,281 (2,660 miles)	Burkina Faso, Cabo Verde I, Cote d'Ivoire, El Salvador I, El Salvador II, Georgia I, Ghana I, Honduras, Mali, Moldova, Mongolia I, Mozambique I, Nicaragua, Niger, Philippines, Senegal I, Tanzania, Vanuatu
 Kilometers of roads completed	3,563 (2,214 miles)	Armenia, Burkina Faso, Cabo Verde I, El Salvador I, Georgia I, Ghana I, Honduras, Mali, Moldova, Mongolia I, Mozambique I, Nicaragua, Philippines, Senegal I, Tanzania, Vanuatu

Water, Sanitation, and Hygiene

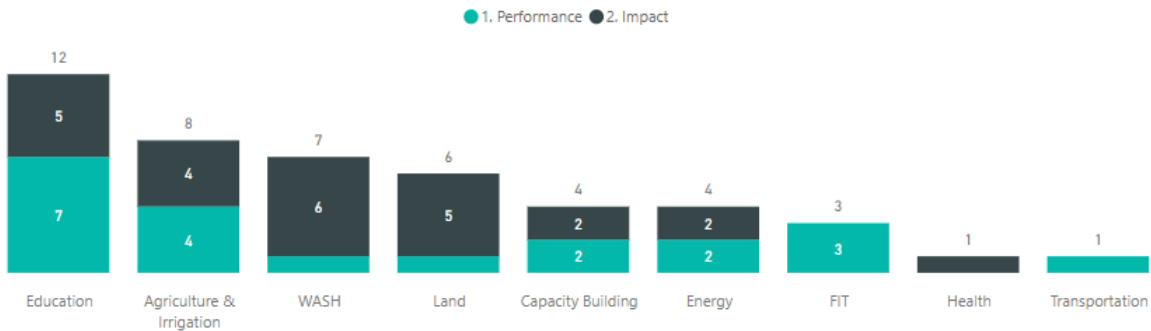
Common Indicator	Achievements since 2005	Active and Closed Programs Measured
 Individuals trained in social and behavior change	73,116	Cabo Verde II, El Salvador I, Ghana I, Indonesia I, Mozambique I, Zambia I
 Sanitation facilities constructed	32,831	Cabo Verde II, Indonesia I, Lesotho I, Mozambique I
 Kilometers of water pipelines constructed or replaced	1,661 (1,032 miles)	Cabo Verde II, Jordan, Lesotho I, Sierra Leone THP, Zambia I
 Millions of liters per day of water production capacity added	220	Liberia, Tanzania

Independent Evaluations

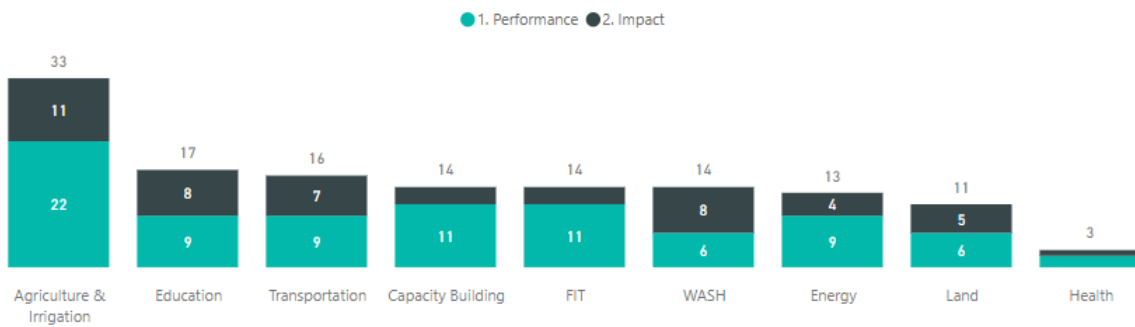
MCC commissions independent evaluations, conducted by third-party evaluators, for every project it funds. These evaluations hold MCC and country partners accountable for the achievement of intended results and produce evidence and learning to inform future programming. They investigate the quality of project implementation, the achievement of the project objective and other targeted outcomes, and the cost-effectiveness of the project.

As of December 2023, MCC has published 46 interim and 135 final independent evaluation reports. The graphs below present the number of interim and final reports that MCC has published, by sector and evaluation type. Impact evaluations estimate changes in outcomes that are attributable to MCC investments. Performance evaluations estimate the contribution of MCC investments to changes in outcomes.

Interim Evaluation Reports Published by Sector



Final Evaluation Reports Published by Sector



Evaluation Findings

In 2023, MCC published 11 interim and final evaluations reports that describe the results of MCC’s investments. Some of these evaluation findings are below.

Moldova

MCC funded the \$109.7 million Road Rehabilitation Project to rehabilitate and upgrade a 93-kilometer portion of the national M2 Road, connecting Sarateni, northwest of Chisinau, to Soroca, at the northern border with Ukraine. The project also replaced and upgraded associated structures within this segment of the M2, such as bridges, drainage systems, and culverts. The project was completed ahead of schedule, rebuilding 96 kilometers of road (more than the planned 93 kilometers) and coming in \$23 million under budget due to new building techniques. Average daily traffic on the M2 Road in 2022 was approximately 4,475 vehicles which transport more than 11,000 road users daily. The rehabilitated road has significantly reduced travel time while at the same time reducing accidents, injuries, and fatalities, making the road both faster and safer.

Georgia

MCC funded the \$71 million Improving General Education Quality Project, which aimed to improve the quality of public science, technology, engineering, and mathematics (STEM) education in grades 7-12. The project invested in rehabilitating education infrastructure and constructing science laboratories in targeted schools. A one-year sequence of training activities was also provided to STEM educators and school directors on a nationwide basis.

School rehabilitation of 91 schools delivered large improvements in classroom walls, ceilings, and floors; installed electrical lighting and central heating; improved classroom temperatures and air quality; upgraded sanitary facilities; and provided new science labs. Teachers and students reported that these upgrades substantially improved comfort and safety at school and addressed multiple barriers to classroom learning. Impacts on learning outcomes were negative or close to zero for schools in their second follow-up year (in part due to school closures in response to COVID-19), but impacts became positive in schools that were in their third, fourth, or fifth follow-up year.

Two years after training, nearly all teachers have continued to report that they are confident or very confident in having enough knowledge to apply the student-centered instruction practices that were part of the project. Practitioner-level teachers (those who had not passed Georgia's teacher certification exam) also reported large post-training improvements in their use of teaching practices related to students' critical thinking and collaboration.

El Salvador

MCC funded the \$5.3 million Technical Vocational Education Training (TVET) System Reform Activity, which aimed to strengthen the national TVET governance system. More broadly, the activity invested in creating a TVET system that was better aligned with the skills employers demanded, with the objective of increasing the labor productivity of Salvadoran workers. Trainees reported gaining skills relevant for their jobs or the job market in the following sectors: sugar; poultry; information and communications technology; and micro, small and medium enterprises. Female and male trainees had similar perceptions regarding the quality of the training received. Employed trainees noted they had gained skills that improved their job performance. Similarly, trainees who were still enrolled in a degree-granting program perceived that the skills gained in the courses were in demand in the job market.

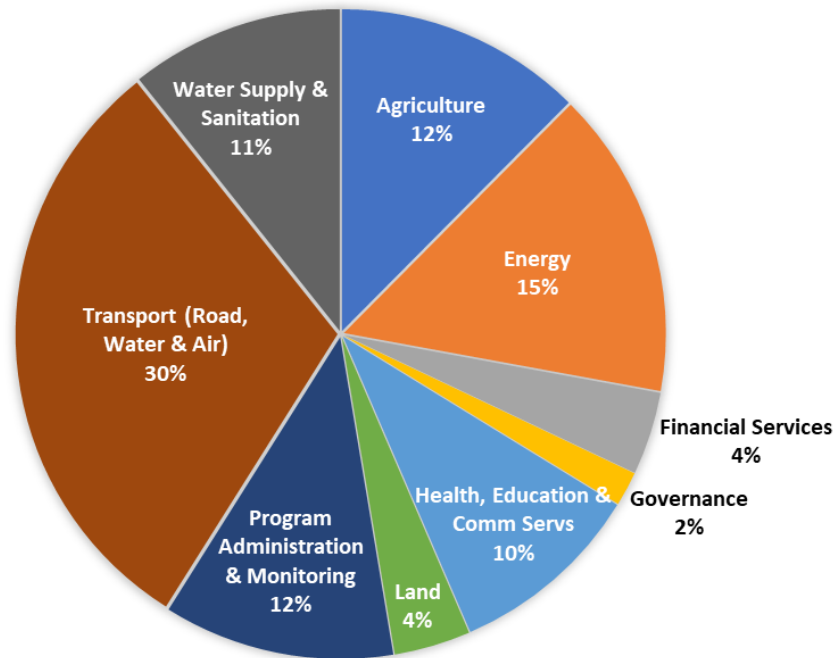
Liberia

MCC funded the \$207 million Energy Sector Project, which included rehabilitating the Mount Coffee Hydropower Plant to generate 75 megawatts of low-cost renewable energy. Activities also included supporting the management services contract to strengthen the Liberia Electricity Corporation's management and operations capacity, and establishing an independent regulator to accelerate private sector investment in the energy sector.

The power utility estimated connections grew from 35,000 customers in 2018 to 157,000 by March 2022. Despite challenges, the management services contract increased connections, reduced outages, and improved management practices. Power theft remains high and threatens sustainability.

SECTOR INVESTMENTS AT A GLANCE

COMPACT INVESTMENTS BY SECTOR TOTAL COMMITMENTS AND OBLIGATIONS DECEMBER 2023



FY 2024 CORPORATE GOALS/PRIORITIES

Goal 1: Deliver a clear and impactful MCC@20 vision

- Deliver on the MCC@20 vision of (1) where MCC works, (2) how MCC works, and (3) what MCC brings to bear.
- Tell the MCC story by deepening the knowledge of and communicating MCC's role, impact, and value-add to key stakeholders.
- Uphold and reaffirm MCC's *CLEAR* values as core to MCC's operations in FY24 and beyond, fostering an inclusive culture that supports staff, teams, departments, and cross-departmental and agency-wide engagement.

Goal 2: Select, design, deliver, and evaluate high-quality compact, threshold, and regional programs

- Identify, track, and achieve key milestones in a timely manner with country partners to develop, implement, and evaluate programs on budget and on schedule.
- Reduce program development timelines: identify, design, test, implement, and learn from solutions to significantly shorten program development timelines while recognizing risk trade-offs and tracking clear metrics to evaluate successes, lessons learned, and impact.

- Apply transparent country selection system to maintain the pipeline of MCC partner countries including selection of new partners, as well as adherence to standards for economic and democratic governance.
- Support the completion, dissemination, and internal use of evaluation results and other learning products.

Goal 3: Advance policy priorities where relevant to achieve quality economic growth that is sustainable, inclusive, and private sector-led

- Incorporate climate change risks and opportunities into MCC programs and operations, consistent with MCC's Climate Strategy.
- Expand structurally-excluded groups' ability to access, participate in, or benefit from MCC programs and projects, consistent with MCC's Inclusion and Gender Strategy.
- Crowd-in private investment and expertise around MCC programs to maximize scale and impact, including through partnerships and other USG agencies.

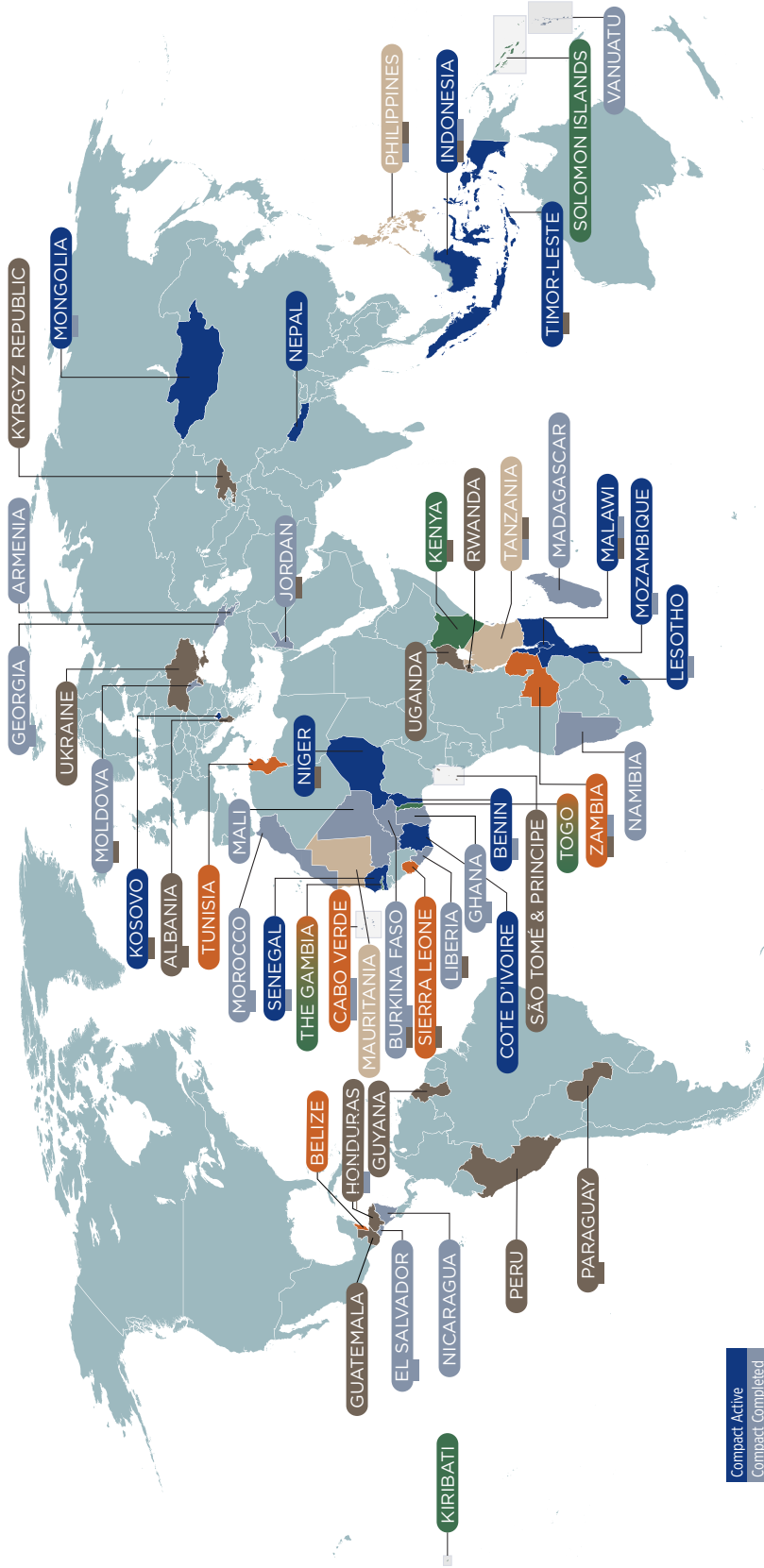
Goal 4: Improve MCC's operational efficiency and effectiveness, including driving MCC's agility and responsiveness to both headquarters and overseas staff needs

- Enhance, streamline, and modernize MCC's operations in Washington and overseas to increase impact and better manage risk.
- Ensure MCC and MCA staff are informed about and continue to comply with agency-wide policies and procedures, while reviewing and keeping them updated.
- Support MCC's evidence-based culture and provide leadership with feedback that allows for continuous improvement in the quality and speed of strategic decision-making.
- Advance country ownership of programs and accountability for implementation and results, including through delegation and refinements in processes.

Goal 5: Refine MCC's human capital and resource capabilities and advance MCC's Diversity, Equity, Inclusion, and Accessibility (DEIA) Strategy

- Continue to invest in MCC's human capital and refine MCC's human capital strategy, leverage results from surveys to bolster employee engagement, and deploy best practices for effective recruitment and retention.
- Optimize hybrid modalities that are flexible and facilitate engagement, productivity, and agility while continuing to prioritize the health and safety of staff.
- Ensure agency resources are well-managed, facilitate delivery of MCC's mission in the most efficient manner, and are reported accurately.
- Institutionalize DEIA strategy, programs and related activities, including by pursuing bias mitigation strategies within each department.

COMPACT, THRESHOLD PROGRAM AND ELIGIBLE COUNTRIES GRAPHIC



2010-002-0097-46 | JANUARY 8, 2024

Country name badge and map color denote current status (blends indicate multiple, concurrent status), rectangular badges denote previous status.

Reducing Poverty Through Growth

