

Millennium Challenge Corporation Candidate Country Report for Fiscal Year 2026

August 2025



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SUMMARY

This report to Congress is provided in accordance with section 608(a) of the Millennium Challenge Act of 2003, as amended, 22 U.S.C. §§7701, 7707(a) (the Act).

The Act authorizes the provision of assistance through the Millennium Challenge Corporation (MCC) for countries that enter into a Millennium Challenge Compact with the United States to support policies and programs that advance the progress of such countries to achieve lasting economic growth. The Act requires MCC to take a number of steps in selecting countries with which MCC will seek to enter into a compact, including determining the countries that will be eligible countries for fiscal year (FY) 2026 based on (a) a country's demonstrated commitment to (i) just and democratic governance, (ii) economic freedom, and (iii) investments in its people; (b) the opportunity to reduce poverty and generate economic growth in the country; and (c) the availability of funds to MCC. These steps include the submission to the congressional committees specified in the Act and publication in the *Federal Register* of reports on the following:

- The countries that are “candidate countries” for FY 2026 based on their per capita income levels and their eligibility to receive assistance under U.S. law and countries that would be candidate countries but for specified legal prohibitions on assistance (section 608(a) of the Act);
- The criteria and methodology that the MCC Board of Directors (the Board) will use to measure and evaluate the relative policy performance of the “candidate countries” consistent with the requirements of subsections (a) and (b) of section 607 of the Act in order to determine “eligible countries” from among the “candidate countries” (section 608(b) of the Act); and
- The list of countries determined by the Board to be “eligible countries” for FY 2026, identification of such countries with which the Board will seek to enter into compacts, and a justification for such eligibility determination and selection for compact negotiation (section 608(d) of the Act).

This report is the first of three required reports listed above.

CANDIDATE COUNTRIES FOR FY 2026

The Act requires the identification of all countries that are candidate countries for purposes of eligibility for MCC compact assistance for FY 2026 and the identification of all countries that would be candidate countries for purposes of eligibility for MCC compact assistance but for specified legal prohibitions on assistance. Under sections 606(a) of the Act, a country is considered a candidate country for FY 2026 if it:

- has a per capita income that is not greater than the World Bank's threshold for initiating the International Bank for Reconstruction and Development graduation process for such fiscal year (\$7,855 gross national income per capita for FY 2026);
- is not ineligible to receive United States economic assistance under part I of the Foreign Assistance Act of 1961, as amended (the Foreign Assistance Act), by reason of the application of the Foreign Assistance Act or any other provision of law.

Pursuant to section 606(b) of the Act, the Board identified the following countries as candidate countries under the Act for FY 2026. In so doing, the Board referred to the prohibitions on assistance to countries for FY 2025 under the Full-Year Continuing Appropriations and Extensions Act, 2025, contained in Division F of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2024 (P.L. 118-47) (FY 2025 SFOAA).

CANDIDATE COUNTRIES

- | | | |
|------------------------------|---------------------------------------|---------------------|
| 1. Afghanistan | 18. Comoros | 34. Honduras |
| 2. Algeria | 19. Congo, Democratic Republic of the | 35. India |
| 3. Angola | 20. Congo, Republic of the | 36. Indonesia |
| 4. Armenia | 21. Côte d'Ivoire | 37. Iraq |
| 5. Bangladesh | 22. Djibouti | 38. Jamaica |
| 6. Belize | 23. Ecuador | 39. Jordan |
| 7. Benin | 24. Egypt | 40. Kenya |
| 8. Bhutan | 25. El Salvador | 41. Kiribati |
| 9. Bolivia | 26. Equatorial Guinea | 42. Kosovo |
| 10. Botswana | 27. Eswatini | 43. Kyrgyz Republic |
| 11. Burundi | 28. Ethiopia | 44. Lao PDR |
| 12. Cabo Verde | 29. Fiji | 45. Lebanon |
| 13. Cambodia | 30. Gabon | 46. Lesotho |
| 14. Cameroon | 31. Gambia, The | 47. Liberia |
| 15. Central African Republic | 32. Guatemala | 48. Libya |
| 16. Chad | 33. Guinea-Bissau | 49. Madagascar |
| 17. Colombia | | 50. Malawi |

51. Mauritania	64. Philippines	78. Togo
52. Micronesia, Federated States of	65. Rwanda	79. Tonga
53. Moldova	66. Samoa	80. Tunisia
54. Mongolia	67. Sao Tome and Principe	81. Uganda
55. Morocco	68. Senegal	82. Ukraine
56. Mozambique	69. Sierra Leone	83. Uzbekistan
57. Namibia	70. Solomon Islands	84. Vanuatu
58. Nepal	71. Somalia	85. Vietnam
59. Nigeria	72. South Africa	86. Yemen
60. Pakistan	73. Suriname	87. Zambia
61. Papua New Guinea	74. Tajikistan	
62. Paraguay	75. Tanzania	
63. Peru	76. Thailand	
	77. Timor-Leste	

COUNTRIES THAT WOULD BE CANDIDATE COUNTRIES BUT FOR LEGAL PROVISIONS THAT PROHIBIT ASSISTANCE

Countries that would be considered candidate countries for purposes of eligibility for MCC compact assistance for FY 2026 but are ineligible to receive United States economic assistance under part I of the Foreign Assistance Act by reason of the application of any provision of the Foreign Assistance Act or any other provision of law are listed below. This list is based on legal prohibitions against economic assistance that apply as of August 6, 2025.

PROHIBITED COUNTRIES

1. **Azerbaijan** is ineligible to receive foreign assistance pursuant to section 907 of the FREEDOM Support Act (22 U.S.C. 5801).
2. **Burkina Faso** is ineligible to receive foreign assistance pursuant to the military coup restriction in section 7008 of the FY 2025 SFOAA.
3. **Burma** is ineligible to receive foreign assistance as it is subject to numerous restrictions including for concerns regarding its record on human rights and pursuant to the military coup restriction in section 7008 of the FY 2025 SFOAA.
4. **Eritrea** is ineligible to receive foreign assistance as it is subject to numerous restrictions including for concerns relative to its record on human rights and its status as a Tier 3 country under the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7101 et seq.).
5. **Ghana** is ineligible to receive foreign assistance pursuant to the debt default restriction in section 7012 of the FY 2025 SFOAA pending a debt restructuring agreement.
6. **Guinea** is ineligible to receive foreign assistance pursuant to the military coup restriction in section 7008 of the FY 2025 SFOAA.
7. **Haiti** is ineligible to receive foreign assistance unless the Secretary of State provides a certification pursuant to section 7045(g)(2) of the FY 2025 SFOAA.
8. **Iran** is ineligible to receive foreign assistance as it is subject to numerous restrictions including section 7007 of the FY 2025 SFOAA and its status as a Tier 3 country under the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7101 et seq.).
9. **Mali** is ineligible to receive foreign assistance pursuant to the military coup restriction in section 7008 of the FY 2025 SFOAA.
10. **Nicaragua** is ineligible to receive foreign assistance as it is subject to numerous restrictions including under section 7047(c) of the FY 2025 SFOAA related to its recognition posture with respect to the Russian Federation occupied Georgian territories of Abkhazia and Tskhinvali Region/South Ossetia and its status as a Tier 3 country under the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7101 et seq.).
11. **Niger** is ineligible to receive foreign assistance pursuant to the military coup restriction in section 7008 of the FY 2025 SFOAA.

12. **North Korea** is ineligible to receive foreign assistance as it is subject to numerous restrictions including section 7007 of the FY 2025 SFOAA and its status as a Tier 3 country under the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7101 et seq.).
13. **South Sudan** is ineligible to receive foreign assistance as it is subject to numerous restrictions including for concerns relative to its record on human rights, and its status as a Tier 3 country under the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7101 et seq.).
14. **Sri Lanka** is ineligible to receive foreign assistance pursuant to section 7044(c)(2) of the FY 2025 SFOAA, which restricts (with limited exceptions) assistance for the central government unless the Secretary makes certain certifications regarding actions taken by the Government of Sri Lanka and reports to the Committees on Appropriations.
15. **Sudan** is ineligible to receive foreign assistance as it is subject to numerous restrictions including the military coup restriction in section 7008 of the FY 2025 SFOAA.
16. **Syria** is ineligible to receive foreign assistance as it is subject to numerous restrictions including section 7007 of the FY 2025 SFOAA and its status as a Tier 3 country under the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7101 et seq.).
17. **Venezuela**¹ is ineligible to receive foreign assistance pursuant to section 7047(c) of the FY 2025 SFOAA related to its recognition posture with respect to the Russian Federation occupied Georgian territories of Abkhazia and Tskinali Region/South Ossetia.
18. **Zimbabwe** is ineligible to receive foreign assistance, including pursuant to section 7042(j)(2) of the FY 2025 SFOAA, which prohibits (with limited exceptions) assistance for the central government of Zimbabwe unless the Secretary of State certifies and reports to Congress that the rule of law has been restored, including respect for ownership and title to property and freedoms of expression, association, and assembly.

Countries identified above as candidate countries, as well as countries that would be considered candidate countries but for the applicability of legal provisions that prohibit U.S. economic assistance, may be the subject of future statutory restrictions or determinations, or changed country circumstances, that affect their legal eligibility for assistance under part I of the Foreign Assistance Act by reason of application of the Foreign Assistance Act or any other provision of law for FY 2026.

¹ Although the World Bank cannot provide any specific GNI number for Venezuela, they have indicated that, based on information available, Venezuelan GNI would likely be in the \$2,155 - \$4,495 bracket, placing it in MCC's income pool.

