



MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

Fact Sheet

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MCC Investments in Sustainable Energy

Access to secure and affordable energy is critical to developing countries' economies and poverty reduction efforts. MCC is investing funds in partner countries to bolster their energy sectors by repairing gas pipelines, installing solar panels to remote communities, and rehabilitating critical power plants and grids.

Within the limits of MCC guidelines, new business models and technologies are encouraged and pursued. MCC is currently funding projects that are anticipated to have beneficial effects on climate, such as forestry expansion, transmission and distribution system improvements, and renewable energy supplies.

El Salvador



El Salvador's MCC compact is expanding electricity service to about 90% of the estimated 475,000 households in the Northern Zone of El Salvador that currently do not have power from the national grid. New electrical service is being provided to these unconnected households through MCC investments in extensions of existing distribution networks, individual household connections to the grid and supply of off-grid solar panel systems.

Georgia



Georgia's MCC-funded \$45.9 million Energy Rehabilitation Activity increased reliability of gas supply and reduced energy loss. The activity rehabilitated the Main North-South Gas Transmission Pipeline, and provided advisory services to the Government of Georgia that resulted in reforms to key policies governing the country's energy sector. Direct benefits of the rehabilitation include increased security of supply of natural gas to Georgia, reduction of greenhouse gas emissions, potential for increases in revenue from gas transit to Armenia, and improved environmental management.

Ghana



In Ghana, the compact's Rural Electrification Project is providing electrification of public cold storage, transforming agricultural produce packing facilities in rural areas within the Southern and Northern Zones, and benefitting trained members of Farmer Based Organizations. The activity is budgeted at approximately \$3.2 million and includes provision of transformers and electrical line extensions.

Malawi

 Malawi's \$350.7 million MCC compact is a single-sector program focusing on activities that aim to revitalize Malawi's power sector. By reducing power outages and technical losses, enhancing the sustainability and efficiency of hydropower generation, and improving service to electricity consumers, the compact intends to reduce energy costs to enterprises and households, improve productivity in the agriculture, manufacturing and services sectors, and preserve and create job opportunities in the economy. In July 2011, the Malawi Compact was placed on operational hold due to concerns related to MCC principles of good governance.

Mongolia

 The \$47.2 million Energy and Environment Project, funded under Mongolia's MCC compact, is providing consumer subsidies for the purchase of energy efficient technologies and homes, operational subsidies to the state-owned transmission company, critical infrastructure upgrades for the introduction of renewable energy into the national grid, and technical assistance for establishment of a renewable energy fund. The compact is also organizing a public awareness campaign, which will increase consumer awareness of renewable energy, energy efficiency, timeliness and availability of subsidies, and identity of participating partners.

Tanzania

 In Tanzania, MCC is investing \$206 million toward the country's energy sector. Tanzania's MCC compact is improving electricity service and coverage through the addition of new power supply, transmission and distribution capacity, as well as through much needed reinforcement of the existing network. The expected compact results include increased investment and economic activity among businesses and communities, some of which will receive electricity for the first time. The compact is laying a submarine electric transmission cable from the mainland to Unguja Island (Zanzibar), extending the distribution network, rehabilitate the existing distribution infrastructure and a number of distribution line extensions to unserved areas in six regions (Mwanza, Iringa, Mbeya, Dodoma, Tanga, Kigoma and Morogoro).