



The Millennium Challenge Corporation Eligibility Expansion Act (MCCEEA)

The Millennium Challenge Corporation (MCC) is an independent U.S. development agency created in 2004. Its unique model focuses on long-term “compacts” executed in cooperation with well-governed partner countries.

Currently, in order to be a candidate to apply for MCC assistance, a country must be classified as a Low Income Country (LIC) or Lower Middle Income Country (LMIC) by the World Bank and be eligible to receive U.S. assistance. After determining this initial pool of candidate countries, MCC applies its rigorous scorecard evaluating 20 different areas of policy to determine where to focus their work.

At the time of MCC’s founding, the initial candidate pool was roughly one hundred countries, peaking at 113 countries in Fiscal Year 2006. Due to subsequent growth in overall global incomes, the number of countries in the initial candidate pool has shrunk to 81 countries in Fiscal Year 2022, of which only 66 are eligible to receive U.S. foreign assistance.

The Millennium Challenge Corporation Expansion Act would define the candidate pool as the world’s 125 poorest countries, before any policy-based exclusions are made. Incomes would continue to be measured on a Gross National Income (GNI) per capita basis as determined by the World Bank, but the shift from an absolute to a relative threshold would allow more countries to compete for MCC assistance and the pool would remain at a consistent size as global incomes change.

MCCEEA would expand where MCC can work, but their focus on development would remain unchanged, and the legislation includes important safeguards to that effect:

- The legislation does not affect MCC’s scorecard or other qualitative metrics used to evaluate countries for assistance.
- All countries would be required to identify an appropriate national contribution in compact negotiations that is proportionate to their means, currently this requirement only applies to lower middle income countries. This would ensure that any relatively wealthier countries which would be made eligible for MCC assistance would contribute fairly to MCC programming and not be at an unfair advantage in the selection process.
- The legislation strengthens requirements that the Millennium Challenge Corporation prioritize development need and impact when making final decisions about compact awards.