



MILLENNIUM
CHALLENGE CORPORATION

UNITED STATES OF AMERICA

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Agenda

1. International development marketplace
2. Introduction to the Millennium Challenge Corporation (MCC)
3. Examples of MCC engagements with the private sector

- ❑ Multilateral Institutions
 - ❑ Donor – Recipient vs. Client – Service Provider

- ❑ Bilateral ODAs
 - ❑ Good neighbor vs. expansion of commercial footprint

- ❑ Private Firms
 - ❑ Philanthropy vs. market intelligence and positioning

- ❑ Regional Organization
 - ❑ Community service vs. self preservation

- ❑ Private Capital
 - ❑ Can the governments attract and retain private capital?

- ❑ Market Discipline
 - ❑ There is more to private sector than money!

- ❑ Credit culture in the public sector
 - ❑ Improving the operations of government operations

- ❑ Transparency
 - ❑ The ultimate anticorruption tool

Forms of Leverage

- ❑ Capital to capital
 - ❑ Difficult to justify investment of development resources without demonstrating significant financial leverage

- ❑ Idea to capital
 - ❑ Execution capacity of governments is often the key bottleneck

- ❑ Capital to idea
 - ❑ But governments typically don't do well when they try to become venture capitalists

- ❑ Guarantees – leverage, but how much?
 - Projects - ratio of amount guaranteed to amount financed
 - Trade – ratio of authorized coverage to total volume of trade

- ❑ Success fee based contracts (government's credibility is key to success)
 - Fee-for-service is not a partnership, it is a contract

- ❑ End to end solutions – not just funding of TA and one-off reports
 - Business plans and transactions
 - Project preparation

- ❑ Development investment banking
 - Connecting investors with well-prepared projects

- ❑ Technology – critical but underutilized tool of development

1. International development marketplace

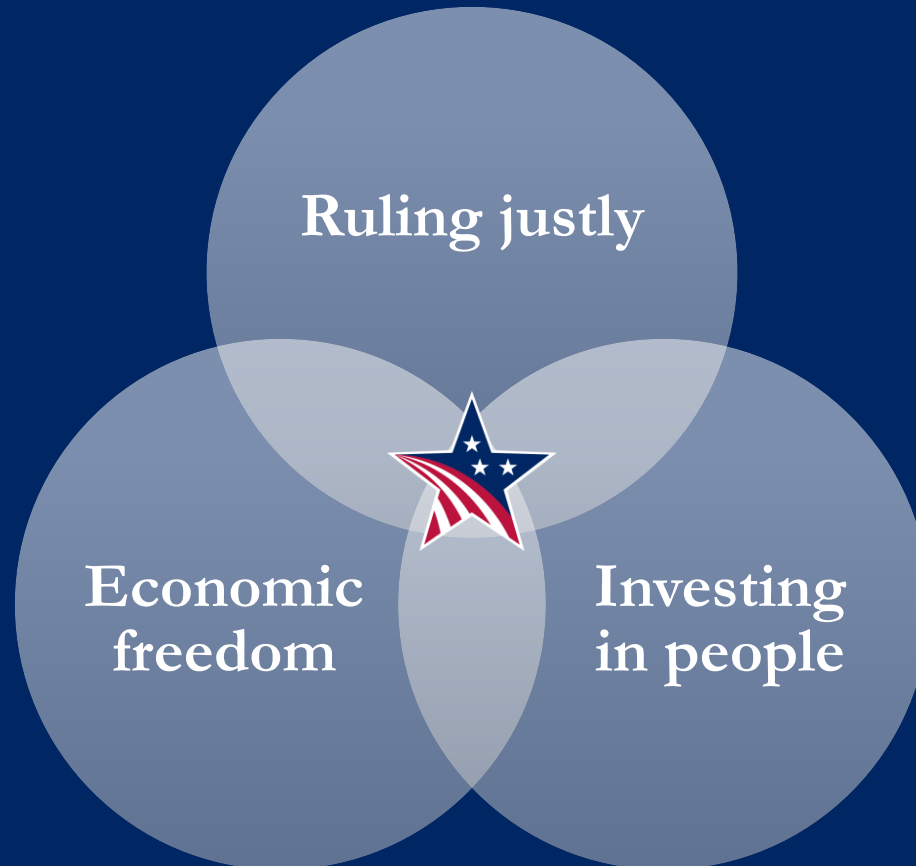
2. Introduction to the Millennium Challenge Corporation (MCC)

3. Examples of MCC engagements with the private sector

- MCC Mandate: To reduce poverty through economic growth
- Board of Directors
 - Secretary of State (Chair)
 - MCC Chief Executive Officer
 - Secretary of the Treasury
 - U.S. Trade Representative
 - USAID Administrator
 - Four members of the private sector



- 20 scorecards comprised of data managed by credible 3rd parties, with a particular focus on performance vis-à-vis ...



Compact, Threshold Program and Eligible Countries

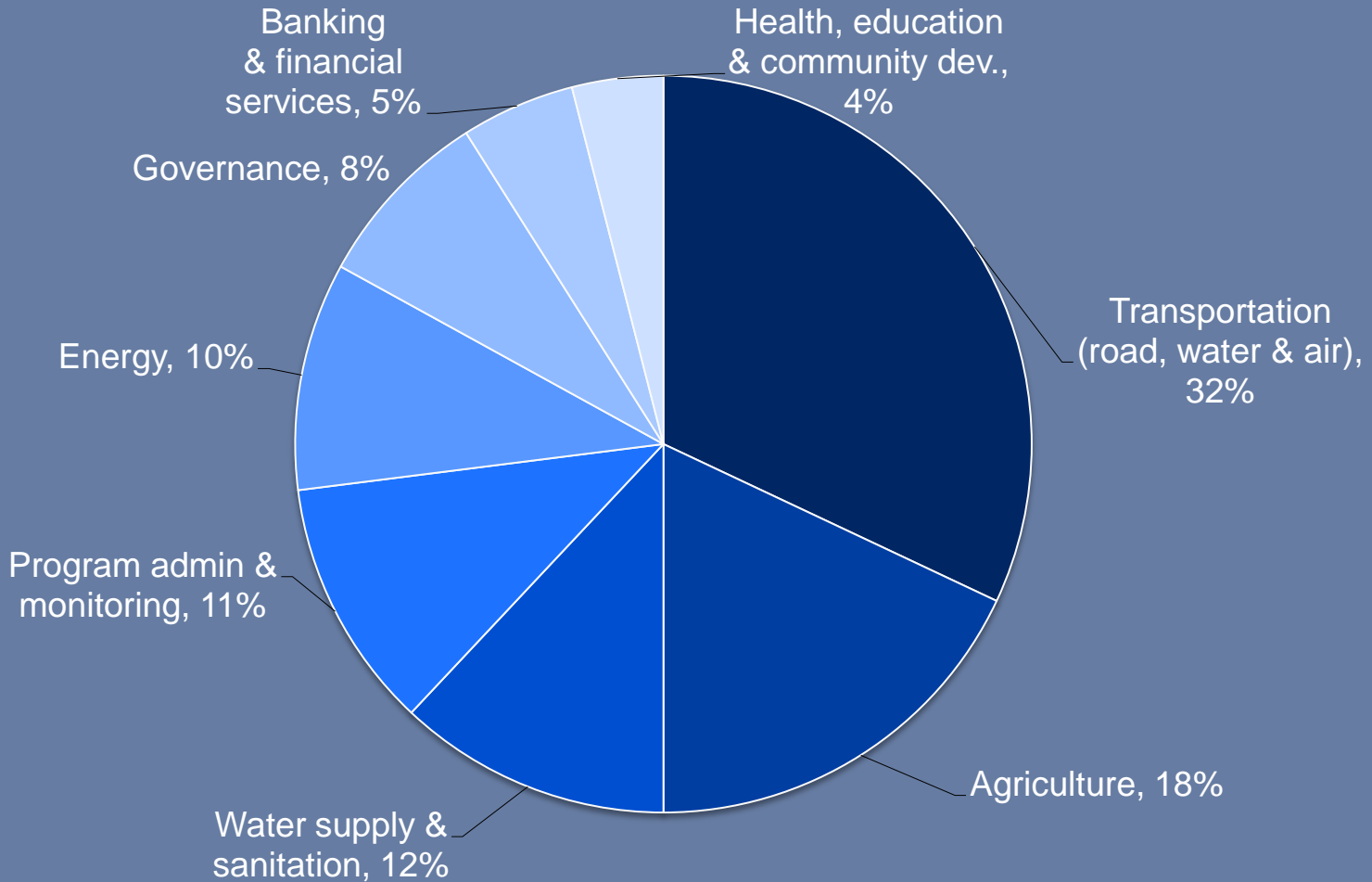


Compact Active
Compact Completed
Compact Eligible
Threshold Active
Threshold Completed
Threshold Eligible

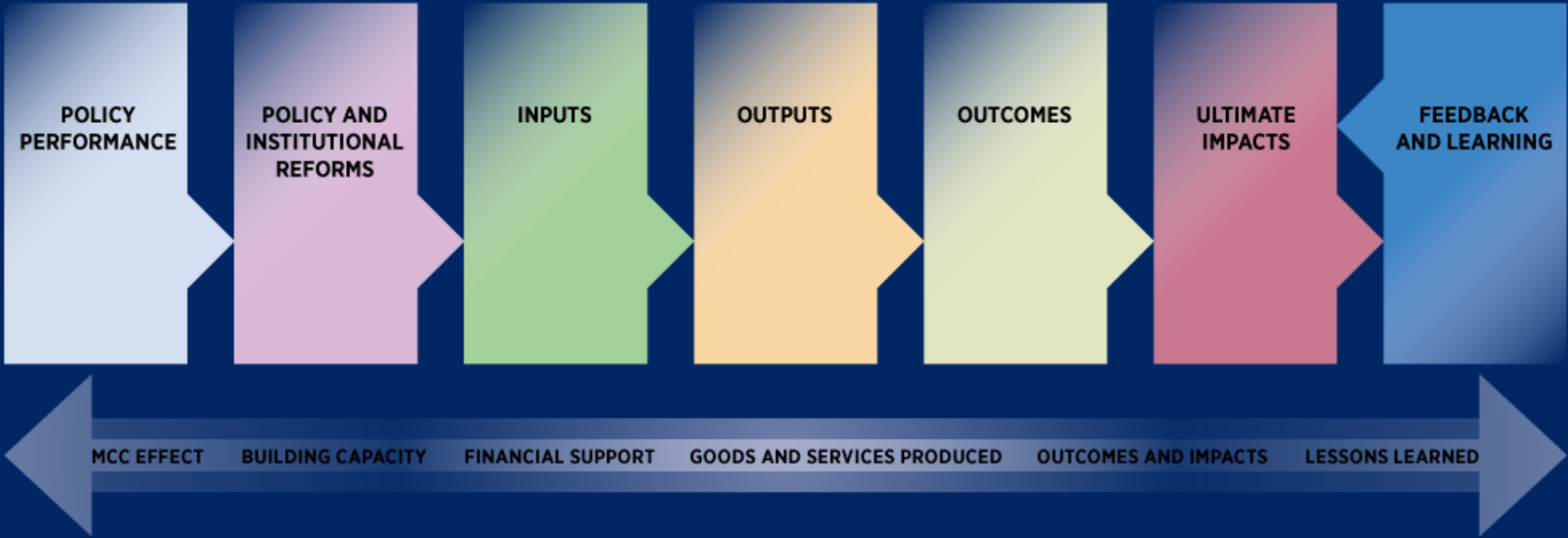
*Country name badge and map color denote current status, rectangular badges denote previous or additional status.

**MCC's Board of Directors put on hold, suspended or terminated a portion of assistance due to events or government actions inconsistent with MCC's eligibility criteria.

\$9.3 billion invested over the last 10 years of operations



Evidence-based approach to achieving development results



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Compact	\$275.1 M
Project	\$ 98.7 M
Beneficiaries	2,023,000
ERR	14% (exp.)

PPP with \$110 mil private financing to address half of Jordan's waste water needs





Compact	\$307.3 M
Project	\$180.0 M
Beneficiaries	8,791,830
ERR	13.9%

*Leveraging \$256 M private investment to
double container volume*





Compact \$277.0 M

ERR 34% (exp.)

Policy reform & grant provision to leverage private capital in infrastructure





Compact:
\$575 M (est.)



- *Restructuring Electricity Company of Ghana (ECG)*
- *Supporting Independent Power Producer (IPP) transactions*
- *Expanding access to electricity*





Compact:
\$450 M (est.)

POWER
AFRICA



- *Restructuring Tanzania Electric Supply Company (TANESCO)*
- *Private sector friendly sector reforms*
- *Expanding access to electricity*
- *Building rural market road*





Compact	\$304.5 M
Project	\$145.0 M
Beneficiaries	1,063,410
ERR	36% (exp.)

Partnership with Microsoft to transform the education sector



Microsoft®



Compact	\$ 66.2 M
Project	\$ 41.1 M
Beneficiaries	591,000
ERR	12.0% (exp.)

Partnership with Coca-Cola to increase household water connections





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For more information, visit www.mcc.gov.

