

# **Millennium Challenge Corporation Candidate Country Report for Fiscal Year 2025**

August 2024



**MILLENNIUM**  
CHALLENGE CORPORATION  
UNITED STATES OF AMERICA



## TABLE OF CONTENTS

Summary.....	1
Candidate Countries for FY 2025 .....	3
Candidate Countries: Low Income Category .....	4
Candidate Countries: Lower Middle Income Category .....	5
Countries that Would Be Candidate Countries but for Legal Provisions that Prohibit Assistance .....	7
Prohibited Countries: <i>Low Income Category</i> .....	7
Prohibited Countries: <i>Lower Middle Income Category</i> .....	8
Appendix: Candidate Countries and Prohibited Countries in the Event of Enactment of Millennium Challenge Corporation Candidate Country Reform Act Legislation or Similar Legislation.....	9
Prohibited Countries: .....	10



## 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 for global development 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 and poverty reduction. The Act also authorizes the provision of assistance to countries for the purpose of assisting such country to become compact eligible. The Act requires MCC to take a number of steps in selecting countries to which MCC will seek to provide assistance, including determining the countries that will be eligible countries for fiscal year (FY) 2025 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 2025 are 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 2025, 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 2025

The Act requires the identification of all countries that are candidate countries for purposes of eligibility for MCC assistance for FY 2025 and the identification of all countries that would be candidate countries for purposes of eligibility for MCC assistance but for specified legal prohibitions on assistance. Qualification as a candidate country is defined in sections 606(a) and (b) of the Act, under which:

A country will be a candidate country in the low income category for FY 2025 if it:

- has a per capita income that is not greater than the World Bank's lower middle income country threshold for such fiscal year (\$4,515 gross national income per capita for FY 2025);
- is among the 75 countries identified by the World Bank as having the lowest per capita income; and
- 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.

A country will be a candidate country in the lower middle income category for FY 2025 if it:

- has a per capita income that is not greater than the World Bank's lower middle income country threshold for such fiscal year (\$4,515 gross national income per capita for FY 2025);
- is not among the 75 countries identified by the World Bank as having the lowest per capita income; and
- is not ineligible to receive United States economic assistance under part I of the Foreign Assistance Act by reason of the application of the Foreign Assistance Act or any other provision of law.

Under section 606(c) of the Act as applied for FY 2025, a country with per capita income changes from FY 2024 to FY 2025 such that the country would be reclassified from the low income category to the lower middle income category or vice versa will retain its income status in its former category for FY 2025 and two subsequent fiscal years (FY 2026 and FY 2027). A country that has transitioned to the upper middle income category does not qualify as a candidate country.

Under section 616 of the Act, the Board may select countries from this list of candidate countries for the purpose of assisting such country to become an eligible country (traditionally referred to as threshold programs) if such country demonstrates a significant commitment to meeting the requirements of subsections (a) and (b) of section 607 of the Act but fails to meet such requirements.

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

CANDIDATE COUNTRIES: LOW INCOME CATEGORY

- |                              |                           |
|------------------------------|---------------------------|
| 1. Afghanistan*              | 31. Lesotho               |
| 2. Angola                    | 32. Liberia               |
| 3. Bangladesh                | 33. Madagascar            |
| 4. Benin                     | 34. Malawi                |
| 5. Bhutan                    | 35. Mauritania            |
| 6. Bolivia                   | 36. Morocco               |
| 7. Burundi                   | 37. Mozambique            |
| 8. Cabo Verde                | 38. Nepal                 |
| 9. Cambodia*                 | 39. Nigeria               |
| 10. Cameroon                 | 40. Pakistan              |
| 11. Central African Republic | 41. Papua New Guinea*     |
| 12. Chad                     | 42. Philippines           |
| 13. Comoros                  | 43. Rwanda                |
| 14. Congo, Dem. Rep.         | 44. Sao Tome and Principe |
| 15. Congo, Rep.              | 45. Senegal               |
| 16. Cote d'Ivoire            | 46. Sierra Leone          |
| 17. Djibouti*                | 47. Solomon Islands       |
| 18. Egypt, Arab Rep.         | 48. Somalia               |
| 19. Eswatini                 | 49. Tajikistan            |
| 20. Ethiopia                 | 50. Tanzania              |
| 21. Gambia, The              | 51. Timor-Leste           |
| 22. Ghana                    | 52. Togo                  |
| 23. Guinea-Bissau            | 53. Tunisia               |
| 24. Honduras                 | 54. Uganda                |
| 25. India                    | 55. Uzbekistan            |
| 26. Kenya                    | 56. Vanuatu               |
| 27. Kiribati                 | 57. Vietnam               |
| 28. Kyrgyz Republic          | 58. Yemen, Rep.           |
| 29. Lao PDR                  | 59. Zambia                |
| 30. Lebanon                  |                           |

---

\* This country was ranked Tier 3 in the 2024 Trafficking in Persons Report issued by the U.S. Department of State. If, consistent with section 110 of the Trafficking Victims Protection Act of 2000, the President determines that the United States will not provide non-humanitarian nontrade-related assistance to the country, then it would no longer be a candidate country for FY 2025.



## CANDIDATE COUNTRIES: LOWER MIDDLE INCOME CATEGORY

1. Jordan
2. Micronesia, Federated States of
3. Samoa



## 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 assistance for FY 2025 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 July 29, 2024.

### PROHIBITED COUNTRIES: *LOW INCOME CATEGORY*

- **Burkina Faso** is ineligible to receive foreign assistance pursuant to the military coup restriction in section 7008 of the FY 2024 SFOAA.
- **Burma** is ineligible to receive foreign assistance as it is subject to numerous restrictions including for concerns relative to its record on human rights and pursuant to the military coup restriction in section 7008 of the FY 2024 SFOAA.
- **Eritrea** is ineligible to receive foreign assistance as it is subject to numerous restrictions including for concerns related 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.).
- **Guinea** is ineligible to receive foreign assistance pursuant to the military coup restriction in section 7008 of the FY 2024 SFOAA.
- **Haiti** is ineligible to receive foreign assistance unless the Secretary of State provides a certification pursuant to section 7045(g)(2) of the FY 2024 SFOAA.
- **Korea, North** is ineligible to receive foreign assistance as it is subject to numerous restrictions including section 7007 of the FY 2024 SFOAA and its status as a Tier 3 country under the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7101 et seq.).
- **Mali** is ineligible to receive foreign assistance pursuant to the military coup restriction in section 7008 of the FY 2024 SFOAA.
- **Nicaragua** is ineligible to receive foreign assistance as it is subject to numerous restrictions including under section 7047(c) of the FY 2024 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.).
- **Niger** is ineligible to receive foreign assistance pursuant to the military coup restriction in section 7008 of the FY 2024 SFOAA.
- **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.).
- **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 2024 SFOAA.

- **Syria** is ineligible to receive foreign assistance as it is subject to numerous restrictions including section 7007 of the FY 2024 SFOAA and its status as a Tier 3 country under the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7101 et seq.).
- **Zimbabwe** is ineligible to receive foreign assistance, including pursuant to section 7042(j)(2) of the FY 2024 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.

**PROHIBITED COUNTRIES: *LOWER MIDDLE INCOME CATEGORY***

- **Sri Lanka** is ineligible to receive foreign assistance pursuant to section 7044(c)(2) of the FY 2024 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.

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 2025.

## APPENDIX: CANDIDATE COUNTRIES AND PROHIBITED COUNTRIES IN THE EVENT OF ENACTMENT OF MILLENNIUM CHALLENGE CORPORATION CANDIDATE COUNTRY REFORM ACT LEGISLATION OR SIMILAR LEGISLATION

As of the date of this report, legislation known as the Millennium Challenge Corporation Candidate Country Reform Act is under active consideration by the United States Congress. If passed as currently drafted, the legislation would reform the income threshold for countries to be candidate countries for purposes of eligibility for MCC assistance by changing it to the World Bank threshold for initiating the International Bank for Reconstruction and Development graduation process for the fiscal year (\$7,895 gross national income per capita for FY 2025). It would also eliminate the distinction between lower income category and lower middle income category countries.

Should this legislation (or legislation that similarly reforms the income threshold for countries to become candidates) become law before FY 2026, the Board identified that the following countries would be qualified, based on their income status, as candidate countries for consideration under the Act for FY 2025:

- |                              |                       |                                     |
|------------------------------|-----------------------|-------------------------------------|
| 1. Afghanistan*              | 20. Congo, Dem. Rep.  | 39. Iraq                            |
| 2. Albania                   | 21. Congo, Rep.       | 40. Jamaica                         |
| 3. Algeria                   | 22. Cote d'Ivoire     | 41. Jordan                          |
| 4. Angola                    | 23. Djibouti*         | 42. Kenya                           |
| 5. Armenia                   | 24. Ecuador           | 43. Kiribati                        |
| 6. Bangladesh                | 25. Egypt, Arab Rep.  | 44. Kosovo                          |
| 7. Belize                    | 26. El Salvador       | 45. Kyrgyz Republic                 |
| 8. Benin                     | 27. Equatorial Guinea | 46. Lao PDR                         |
| 9. Bhutan                    | 28. Eswatini          | 47. Lebanon                         |
| 10. Bolivia                  | 29. Ethiopia          | 48. Lesotho                         |
| 11. Botswana                 | 30. Fiji              | 49. Liberia                         |
| 12. Burundi                  | 31. Gambia, The       | 50. Libya                           |
| 13. Cabo Verde               | 32. Georgia           | 51. Madagascar                      |
| 14. Cambodia*                | 33. Ghana             | 52. Malawi                          |
| 15. Cameroon                 | 34. Guatemala         | 53. Marshall Islands                |
| 16. Central African Republic | 35. Guinea-Bissau     | 54. Mauritania                      |
| 17. Chad                     | 36. Honduras          | 55. Micronesia, Federated States of |
| 18. Colombia                 | 37. India             | 56. Moldova                         |
| 19. Comoros                  | 38. Indonesia         |                                     |

\* This country was ranked Tier 3 in the 2024 Trafficking in Persons Report issued by the U.S. Department of State. If, consistent with section 110 of the Trafficking Victims Protection Act of 2000, the President determines that the United States will not provide non-humanitarian nontrade-related assistance to the country then it would no longer be a candidate country for FY 2025.

57. Mongolia	69. Rwanda	81. Timor-Leste
58. Morocco	70. Samoa	82. Togo
59. Mozambique	71. Sao Tome and Principe	83. Tonga
60. Namibia	72. Senegal	84. Tunisia
61. Nepal	73. Sierra Leone	85. Tuvalu
62. Nigeria	74. Solomon Islands	86. Uganda
63. North Macedonia	75. Somalia	87. Ukraine
64. Pakistan	76. South Africa	88. Uzbekistan
65. Papua New Guinea*	77. Suriname	89. Vanuatu
66. Paraguay	78. Tajikistan	90. Vietnam
67. Peru	79. Tanzania	91. Yemen, Rep.
68. Philippines	80. Thailand	92. Zambia

If the Millennium Challenge Corporation Candidate Country Reform Act legislation or legislation that similarly reforms the income threshold for countries to become candidates were to become law, the following countries would be considered candidate countries for purposes of eligibility for MCC assistance for FY 2025, 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 July 29, 2024.

#### PROHIBITED COUNTRIES:

- **Azerbaijan** is ineligible to receive foreign assistance pursuant to section 907 of the FREEDOM Support Act (22 U.S.C. 5801).
- **Belarus** 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.).
- **Burkina Faso** is ineligible to receive foreign assistance pursuant to the military coup restriction in section 7008 of the FY 2024 SFOAA.
- **Burma** is ineligible to receive foreign assistance as it is subject to numerous restrictions including for concerns relative to its record on human rights and pursuant to the military coup restriction in section 7008 of the FY 2024 SFOAA.
- **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.).
- **Guinea** is ineligible to receive foreign assistance pursuant to the military coup restriction in section 7008 of the FY 2024 SFOAA.

- **Haiti** is ineligible to receive foreign assistance unless the Secretary of State provides a certification pursuant to section 7045(g)(2) of the FY 2024 SFOAA.
- **Iran** is ineligible to receive foreign assistance as it is subject to numerous restrictions including section 7007 of the FY 2024 SFOAA and its status as a Tier 3 country under the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7101 et seq.).
- **Korea, North** is ineligible to receive foreign assistance as it is subject to numerous restrictions including section 7007 of the FY 2024 SFOAA and its status as a Tier 3 country under the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7101 et seq.).
- **Mali** is ineligible to receive foreign assistance pursuant to the military coup restriction in section 7008 of the FY 2024 SFOAA.
- **Nicaragua** is ineligible to receive foreign assistance as it is subject to numerous restrictions including under section 7047(c) of the FY 2024 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.).
- **Niger** is ineligible to receive foreign assistance pursuant to the military coup restriction in section 7008 of the FY 2024 SFOAA.
- **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.).
- **Sri Lanka** is ineligible to receive foreign assistance pursuant to section 7044(c)(2) of the FY 2024 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.
- **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 2024 SFOAA.
- **Syria** is ineligible to receive foreign assistance as it is subject to numerous restrictions including section 7007 of the FY 2024 SFOAA and its status as a Tier 3 country under the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7101 et seq.).
- **Zimbabwe** is ineligible to receive foreign assistance, including pursuant to section 7042(j)(2) of the FY 2024 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.

The countries identified above that would be candidate countries should the legislation pass; 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 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 2025.

Reducing Poverty Through Growth

