

For Immediate Release
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MCC Board Approves \$434 Million Philippines Compact

Washington, DC – The Board of Directors of the U.S. Government’s Millennium Challenge Corporation (MCC) has approved a \$434 million compact with the Government of the Philippines to reduce poverty through economic growth. Non-governmental organizations, private sector firms, and the Philippine government and people consulted extensively to design a homegrown program to address key constraints to sustainable development.

“Congratulations to the people and Government of the Philippines for tackling difficult challenges to create tangible opportunities for growth and prosperity,” said MCC Chief Executive Officer Daniel Yohannes. **“The Filipinos have articulated a clear vision to improve the quality of their lives through a technically, environmentally, and socially sound plan. I am confident that the country’s ongoing commitment to positive reforms, accountability and transparency, and the timely implementation of the compact will deliver tangible results.”**

The Philippines \$434 million MCC compact provides funding for three major projects. First, the compact includes \$54.3 million in investments to computerize and streamline business processes in the Bureau of Internal Revenue. This project will bolster the effectiveness of revenue collection and reduce opportunities for corruption.

Second, the compact includes \$120 million to expand Kalahi-CIDSS, a community-based, rural development program. This innovative approach to development strengthens local accountability and empowers poor communities to design and drive the projects they need to increase their incomes and improve their lives.

Third, the compact includes \$214.4 million to construct and repair 220 kilometers of Samar Road. This road, which passes through 15 municipalities, will improve access to markets and services for farmers, fishers, and small businesses in some of the poorest provinces in the Philippines.

The compact may be signed after a 15-day congressional notification period, which follows MCC Board approval.

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Millennium Challenge Corporation, a U.S. Government agency designed to work with developing countries, is based on the principle that aid is most effective when it reinforces sound political, economic, and social policies that promote poverty reduction through economic growth. For more information, please visit www.mcc.gov.

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