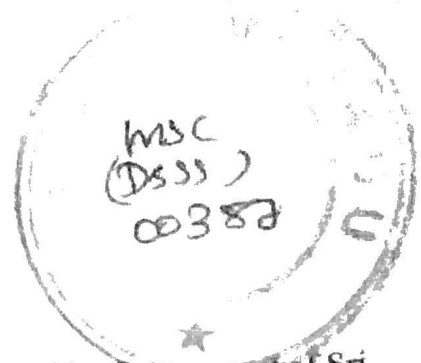


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ABSTRACT



Millennium Challenge Corporation (MCC) is designated by Government of Sri Lanka after carrying out constrain analysis to implement the US \$480 Million grants Compact, from the USA to Sri Lanka to develop Land and Transportation sectors. The purposes of this research were to analyse: (1) the advantages and disadvantages of the MCC, (2) National security implications of the MCC grant and (3) the way forward to prevent national security threats for the country. The qualitative method was used to gather the data through interviews and analysed using the thematic method. Legal and Diplomatic experts and military officers were selected for the sample. This research concluded that the current MCC grant agreement were consisting clauses that threat to the national security of the country was found to be based on misinformation. Further it needs to amend some of the agreement clauses before the implementation of the grant. The research recommends to sign the agreement with amendments required for the areas that needs to prevent national security threats to the country and adequate publicity for the agreement is to be provided by both MCC and government to prevent misleading the professionals, politicians and general public.

Key words: National security, MCC, MCA-Sri Lanka, Economic corridor, Compact agreement