

Millennium Challenge Corporation

Special Edition:

What People Are Saying About MCC

White House Summit on International Development: Sustaining the New Era

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UNITED STATES OF AMERICA

Introduction

The *Millennium Challenge Corporation* (MCC) joined USAID, the Office of the Global AIDS Coordinator at the Department of State, and the Overseas Private Investment at the White House-convened Summit on International Development: Sustaining the New Era on October 21, 2008. In the pursuit of a shared development agenda, the summit's participants discussed a number of principles fundamental to transforming international development: country ownership, good governance, results-based programs and accountability, and the importance of economic growth. Several participants specifically mentioned MCC's work toward this transformation:

President George W. Bush

"This new approach to development is embodied by a revolutionary initiative called the Millennium Challenge Account. See, this program says that the United States will help. But we expect countries that we help to fight corruption and to govern justly. There's nothing more pitiful than to have people's hopes robbed by corrupt government officials. We say to those we want to help support, open markets to trade and investment, and above all, invest in your people's health and education. You see, by tying our aid to these policies, we are encouraging developing nations to make tough economic and political and social reforms. We encourage leaders to respect their citizens, uphold human dignity, and work to earn the trust of their people. This approach is based on a clear conviction: People in the developing world have the capacity to improve their own lives -- and they will rise to meet high standards.

"I refuse to accept the development model that says, oh, these people are doomed forever; let's just throw money at the problem. We believe that if you set high standards, good people will rise to meet those standards, regardless of where they live in the world. So the Millennium Challenge Account is a robust program that has invested \$6.7 billion in 35 countries around the world. From Albania, to Moldova, to Indonesia, to Mongolia, to Paraguay, to Peru, these partnerships are helping developing nations take charge of their future -- and more importantly, unleash the talents of their people.

"For example, this February President Kikwete of Tanzania and I signed a five-year, nearly \$700 million compact to improve the country's transportation, energy, and water supply. It's pretty basic needs, isn't it? Transportation, energy and water supply. The partnership will build roads that connect rural Tanzanians to markets and schools and health clinics. It's hard to have a modern society if you can't get your product from rural to urban -- urban centers in your country. It's hard to get doctors to help people in the rural part of the country if you don't have roads to connect health care clinics to those in need. It's going to extend electricity to homes and businesses in some of the most remote areas of the country. It will increase access to clean drinking water, which will help reduce preventable diseases, especially in young children. Through these projects, the Millennium Challenge compact is helping Tanzania build a foundation for success in the 21st century -- and showing the promise of a new era in development."

President Ellen Johnson Sirleaf of Liberia

In her keynote address...

“Through many of its new partnership programs in Africa, the United States has acknowledged that these values must be nurtured, that ownership is crucial to the success; but nowhere is this accomplished in such an innovative manner as with the Millennium Challenge Corporation.”

“The MCC has had a transformative effect across the developing world. Responsible, reform-minded governments have set their sights on the MCC benchmarks, and this has accelerated the pace of reform while empowering governments to make decisions on their own path of development and the direction of their future. This stands in stark contrast with a half-century of development policy that saw trillions of dollars invested into Africa, and elsewhere, with shockingly limited returns.”

“In recent years, the international community has begun to take governance seriously and the MCC is now in the forefront of putting good governance at the center of their programs. We in Liberia are big fans of the MCC, since its focus on good governance, local participation, and results is so consistent with our approach.”

“Our Government is aggressively striving to meet the benchmarks set by the MCC and other donor agencies. We try to meet the various thresholds because it means more assistance for development; but more so, we strive to meet these benchmarks because it is what our people deserve. These are our own priorities because if we cannot achieve them, stability and prosperity will remain fleeting dreams.”

“We have made significant progress in recent years, and we are hoping that we will soon be selected to join the MCC family for a threshold program. We are definitely ready for the MCC challenge in Liberia, and we hope the MCC is ready for us! We need the dividend that comes from effort; the incentive provided through threshold status.”

In her introduction of President Bush...

“President Bush launched the Millennium Challenge Account; a new model of development supporting governments that commit to rule justly, invest in people, and encourage economic freedom. To date, the Millennium Challenge Corporation (MCC) has signed seven compacts with African countries totaling \$2.4 billion to fight poverty through economic growth.”

Secretary of State Condoleezza Rice

“We recognized that good institutions and basic investments in people and infrastructure are essential for development. So we created the Millennium Challenge Account initiative – which transforms our assistance into an incentive for developing countries to build the institutions that foster sustainable economic growth and poverty reduction. Our Millennium Challenge Corporation has now approved development grants – not loans, grants – to transformational countries, totaling more than \$7.5 billion.”

***Congressman Chris Smith,
United States House of Representatives, R/NJ 4th***

“...I would add a brief commendation for the Millennium Challenge Corporation. I repeatedly hear that the governments of Sub-Saharan Africa and elsewhere are taking serious steps to change a culture of corruption to implement measures to provide transparency in governance and to respect human rights and civil liberties, largely because they want to become or remain competitive for MCA funding and because they care deeply about their own people and good governance.

“I know that you will be hearing directly from representatives of the MCA this afternoon, and I believe it is important to note that the MCA in the context of country ownership is one of the vital tools to building the infrastructure so countries can rebuild, grow, and have sustainable development.”

***Dr. Elioda Tumwesigye, Member, Parliament of Uganda, and Chair,
Parliamentary Committee on HIV/AIDS and Related Matters***

“Ladies and gentlemen, saving a life is the highest act one can ever do to humanity on this our own shared planet and should be the ultimate goal of international development. Americans, you have saved millions of lives through government programs like PEPFAR and the Millennium Initiative initiated by President Bush...”

Michael Gerson, Senior Fellow, Council on Foreign Relations

“Through PEPFAR, the President’s Malaria Initiative, and especially MCA, the administration has set a new vision, partnership not paternalism, country ownership tied to high expectations on government’s investment in people, and above all, results. It has perhaps been the most creative time in American development policy since the new frontier, and it needs to continue.”

***Nancy Zucker Boswell, President and Chief Executive Officer,
Transparency International-USA***

“Just to note the Millennium Challenge Corporation that many others have referred to today, we would add our strong support for this new approach to development, two particular aspects. One, the focus on anti-corruption. The hard hurdle has sent a very clear message of the link between development effectiveness and fighting corruption. And the second and final piece is the attention to civil society consultation. I go back to what the President of Liberia said about the importance of country ownership. Too often, donors and others have focused simply at the executive branch, and the importance MCC places on consulting with your own citizens sets a terrific model for future reform in countries.”

***Congressman Donald Payne,
United States House of Representatives, D/NJ 10th***

“We have seen under this administration programs like the MCA, which has been an extreme leader... Millennium Challenge Corporation and accounts that have been very successful in countries that have been able to qualify.”

“I believe that things that are happening that are positive now is that, for example, with the Millennium Challenge program, there are certain criteria that countries must reach, certain watershed marks, and I think that donors can certainly have an impact by having standards that they work together with the local country in developing, having goals that are attainable and achievable, and goals that are measurable, and I think that the influence of donors in a negotiation, rather than the old way of dictating what it should be, I think goes a long way.”

Sir Bob Geldof

“Developing countries must prepare now for a drop in trade, capital flows, remittances, domestic investment, as well as a general slowdown in growth. Well, how do you prepare for that? How do you prepare when you’re a fragile, nascent economy to suddenly have the rug pulled out from under you, and more specifically, your poor. The food and fuel crises have knocked down the poor who are just about struggling to their knees because of what you do, because of what this administration has done with the Millennium Challenge and PEPFAR and all the other things.

“And as they’re knocked down by the food and fuel crisis, we have an almost perfect storm of poverty because the financial crisis threatens to buy them.

“So what to do? Now in the stew and froth and bubble of the competing cultural values and ideologies of the current election season, there are timeless verities that must constantly be proclaimed by America, that the unique uniting cultural values and ideologies is one that obviates the sort of puerile nature of politics of the left and right and elevates itself above that into the moral sphere where you reach out to help those who need a hand. That’s what you’ve always done. That’s what we count on. That’s the great idea of this place. See, we don’t have an idea in the U.K. or Europe what’s the idea of China, what’s the idea of Russia. But you’ve got an idea.”

Ken Hackett, President, Catholic Relief Services

“...I remember all the conversations and hopes about what if our government did this or that. We could really spend money to reduce disease, to promote economic growth. And to sit here today and hear reports on all of these things happening - civil society participation, accountability, holding governments responsible for results - those were the dreams of young people so many decades ago and they’re now coming true. We’re not there yet, but the beginning has started. And I think we, as Americans, can be proud of what we’ve done. How can civil society organizations, non-

governmental organizations, governments, our government work together to promote growth? In the Millennium Challenge Corporation, I think we're seeing a good foundation for this to happen...

"...It's now moving in lockstep and we're making real progress. The engagement of civil society in the countries that I've visited that have received MCC compacts or threshold grants is really impressive.

"Many countries have the civil society engagement in their PRSP. MCC has taken it to another level. Truly involving civil society, different groups in society, business as well as private groups together with the government in looking for a new future, a future of growth and a future about poverty alleviation is starting to happen."

Ritu Sharma Fox, President and Co-Founder, Women Thrive Worldwide

"And one of the most profound legacies that the MCC is leaving us is your very innovative and groundbreaking gender policy. Gender is not women and there's a lot of confusion between what is gender and what is women's empowerment. What gender is about is really exploring the roles, responsibilities, rights and resources that men and women have, and using that information to be smart and effective. Gender permeates everything that we do."

"Finally, given this new economic reality that we've been hearing about all day today, it is absolutely essential that U.S. assistance is strategic, effective and transparent. I think that the MCC represents the future of U.S. assistance and not the past. But the truth is that our overall system is outdated, it's messy, it has no coherent strategy and yet it's more important than ever.

"I, and others in the audience, have joined a bipartisan group of experts and practitioners, called the Modernizing Foreign Assistance Network. And we have presented a plan that will increase the value and impact and transparency of development investments and can do it in a very pragmatic, realistic way. So I hope that we'll have a chance not only to explore gender further, but also to explore how we can expand the legacy of the MCC to really transforming our development programs overall."

Reducing Poverty Through Growth



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