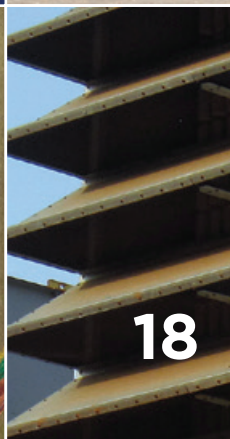




MILLENNIUM  
CHALLENGE CORPORATION  
UNITED STATES OF AMERICA

# MILESTONES





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## MILESTONES

NEWS FROM THE MILLENNIUM CHALLENGE CORPORATION FALL.2012

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*on cover: Ghanaian children during a closeout celebration of the MCC compact with the Government of Ghana. February 2012.*

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## PROMOTING GOOD GOVERNANCE



Daniel W. Yohannes

Promoting good governance is a fundamental MCC principle that drives how we deliver development assistance. From selection through implementation, our partnerships are grounded in this principle. The reason is simple: We know that sound democratic and economic governance goes a long way to ensure that our investments are both sustainable and impactful in the lives of the world's poor. We also know that an environment that respects the rule of law, fights corruption and cultivates a culture of transparency and accountability is one

where private enterprise can thrive best as the ultimate engine of economic growth. And, private sector-led economic growth is how we can break the cycle of poverty.

I believe putting this principle into practice sets MCC apart. From the start, we select our potential partners based on their commitment to good democratic and economic governance using 20 indicators taken from third party sources. We are not shy about suspending or terminating our assistance if our partners fail to meet this standard. Based on their progress



toward good governance, I faced the very difficult decision of terminating the MCC compact with Mali and the extraordinary breakthrough of reinstating the MCC compact with Malawi.

What happened in Mali and Malawi is featured in this edition of Milestones as powerful examples of how MCC is making the tough choices both to support good governance and to play an incentivizing role to catalyze policy reform. I am also proud of the results highlighted in this newsletter from El Salvador, Ghana,

Burkina Faso, and Benin, which underscore the role good governance and policy reforms play toward sustainable economic growth. In fact, as MCC's "continuum of results" in Benin shows, we note institutional and policy reforms toward good governance as among the first results worth counting. It's a success when our development dollars can motivate policy changes that put a partner country solidly on the path to better governance. I recognize that achieving MCC's mission of poverty reduction through economic growth depends on that start. ★



OPPOSITE: El Salvador Minister of Public Works Gerson Martinez hands CEO Daniel W. Yohannes a copy of the Northern Zone Master Plan update during an asphalt ceremony in April 2010.

LEFT: CEO Daniel W. Yohannes (left), President Yayi Boni (right) and MCA-Benin staff and government officials inaugurate the court of first instance and a court of appeals in October 2012.

❶ **And the award goes to...** UNESCO awards the Government of Morocco with the 2012 Confucius Prize for Literacy honorable mention, recognizing their partnership with APP (MCA-Morocco) to train 732,000 beneficiaries of literacy programs.

❷ **In Mongolia**, the Health Project seeks to strengthen the national program for prevention, early diagnosis and management of non-communicable diseases/injuries (NCDI). It addresses major causes and risks of NCDIs, which cause premature adult death and disability and affect labor force productivity and the economic well-being of Mongolians. To date 7,340 health care workers and non-medical personnel have been trained under the Capacity Building Activity. Major screening activities are underway and nine contracts (worth \$5 million) have been signed for the supply and delivery of essential screening equipment and critical pharmaceuticals. Major behavior change campaign and outreach activities continue to be implemented with strong collaboration between public and private representatives.

❸ MCC's contribution to the human capital of our partner countries was highlighted during the 2012 annual conference of the **International Association of Impact Assessment (IAIA)**, which took place in Porto, Portugal. The IAIA is the leading global network on best practices in the use of environmental and social impact assessment for decision-making on

policies, programs, plans, and projects. MCA representatives from Lesotho, Senegal, Mali, Morocco, and Mozambique attended this global conference and presented case studies that highlighted the successes and challenges they encountered as part of their work with MCC. The sessions they led were well-attended, and the presenters demonstrated the valuable skills and expertise they brought to and refined through their work on MCC compacts. After their presentations, the MCA representatives were surrounded by practitioners from other countries, seeking advice and practical recommendations for challenges they face with their own development initiatives.

❹ **El Salvador:** More than 220 kilometers of road (equivalent to the distance between Washington and Philadelphia), three large bridges and 20 smaller bridges have been rehabilitated or constructed in northern El Salvador to help improve connectivity with the rest of the country. This east-west highway in the north stretches close to the borders with Guatemala in the



west and Honduras to the east and the improvements are anticipated to reduce travel time by 50 percent (12 hours to six hours).

**5 Deputy National Security Advisor visits Tanzania:**

Michael Froman, the Deputy National Security Advisor for International Economic Affairs, was in Tanzania from July 12-14 for meetings with senior Government of Tanzania officials and representatives from the private sector. Froman was accompanied by a delegation of U.S. Government representatives from the National Security Council, the Office of the U.S. Trade Representative and the State Department. On July 14, Froman and the Tanzanian prime minister signed a joint statement of principles on the Partnership for Growth (PFG), committing the U.S. and Tanzania to implementing the Joint Country Action Plan with a focus on the transport and energy sectors. Deputy Resident Country Director Matt Kavanagh attended several meetings with the delegation, and the group also met with representatives from compact contractors Symbion and Pike, which included a visit to a Symbion power plant. Symbion and Pike are U.S. firms that have won significant contracts in Tanzania. For more on their work, visit: <http://www.mcc.gov/documents/press/action-2011002095301-symbion-pike.pdf>  
Photo 5 courtesy Symbion Power.



officials and members of Malawi’s civil society and private sector. He also visited the Bunda electrical substation, a site targeted for rehabilitation under the MCC compact. Mr. Yohannes said, “The relationship between the United States and Malawi is strengthened by our shared commitment to democratic governance. President Banda deserves much credit for the bold reforms she is undertaking. Yet I share her recognition that this work would not be possible without the support of the people of Malawi. They will need to continue to take the courageous steps necessary to deepen this country’s democracy.”

*Have an MCC or MCA news item of interest for Challenge Beat? Email: [mseitor@mcc.gov](mailto:mseitor@mcc.gov).*

**6 CEO visit to Malawi:** MCC CEO Daniel W. Yohannes visited Lilongwe, Malawi, on July 11 for a series of meetings with President Joyce Banda, government





image: wikimedia commons

## PRESIDENT JOHN KUFUOR, REPUBLIC OF GHANA

**M**CC Managing Director for Public Affairs Nasserie Carew sat down with former Ghanaian President John Agyekum Kufuor to discuss the completion of the Ghana compact and MCC's focus on country ownership. Under President Kufuor's leadership, Ghana became the first sub-Saharan African country to cut in half the proportion of its people who suffer from hunger and the proportion of its people living on less than \$1 per day. The following is an excerpt of their conversation.



**NASSERIE CAREW:** Thank you, Mr. President, for visiting MCC. We're very grateful that you were able to participate in our food security series. We also want to congratulate you on receiving the World Food Prize prize. We would love to know a little bit about your foundation. We heard that it was launched recently. Could you share some of that with us?

**PRESIDENT KUFUOR:** Well, the focus of the foundation is on leadership, governance and development. Leadership because I believe much of our continent, Africa, has suffered the bane of poor leadership. If you do not get the right leadership, nothing else tends to work. I thought that I should draw the attention of the people of Africa to the necessity of giving ourselves, on the continent, leadership. I wanted people to be aware that leadership perhaps is the most critical factor in transformation. And so, if we do not take pains to get ourselves the right leaders, then we more or less condemn ourselves to continue to wallow in poor development, undemocratic governance and exclusion, which invariably leads to conflicts and disorganization.

**NC:** In development circles there are various definitions of country ownership. How do you define country ownership?

**KUFUOR:** Even though a country is poor and suffering, it also wants and should have self-respect and dignity, particularly as it relates to the control of its destiny and how it manages itself toward fulfilling that destiny. You cannot put real meaning to your sovereignty by being very dependent on others. The recipient nation should be able to put its economy and society on a

pedestal of sustained growth in which the citizenry's self-confidence is kept going in terms of doing things for themselves, for their country.

So country ownership, in terms of MCC, at least from my experience, was the acceptance and support of our decision to use the funds that the United States Government contributed to modernizing and commercializing agriculture.

Over 60 percent of our people live off the land. The country is populated by small-scale farmers; a farmer farming five acres might be deemed a big farmer [but] the farming wouldn't be too efficient. The rural development was still very rudimentary, no good feeder roads. Rural electrification was behind the times, [as were] health centers and educational facilities. So the youth, who should have been there to take over from the aging farmers, tended to drift into the towns seeking jobs.

If we get the right leadership, it is very likely governance will be good; with wrong leadership you cannot get good governance.

We realized the need for young farmers and the innovation they bring, so we also focused on modernizing our farming practices. That meant mechanizing, using technology...something that would put a bit of relief to the penury of the old type of agriculture. And also to make it →23

# Travelling the CONTINUUM...

MCC tracks results along the entire lifecycle of each country-determined program it funds, from inputs, to outputs, to policy reforms, and ultimately to measurable outcomes for beneficiaries. MCC's continuum of results is built on transparency and critical learning and becomes a tool for assessing what works and does not work in development and what can be improved for the future.

The Millennium Challenge Corporation is committed to delivering results throughout the entire life of its projects. From before investments begin to their completion and beyond, MCC's robust and comprehensive "continuum of results" framework measures, collects and reports on policy reforms associated with MCC compact eligibility and program investments, inputs and outputs that indicate whether projects are on track, interim outcomes as programs reach completion, and program impacts as measured through independent evaluations. MCC's continuum of results is designed to foster learning and accountability to maximize taxpayer resources, inform future projects and ensure sustainability and impact that will make a lasting difference in the lives of the poor.

MCC's five-year, \$307 million compact with Benin closed in October 2011, but it has already produced a variety of impressive results along the continuum.

**Policy performance:** The first result is often the "MCC Effect," when countries enact policy reforms to improve performance on MCC's indicators. Eligibility for an MCC compact is seen as a "seal of approval," signaling to private investors that the country is well-governed and open for business. MCC maintains continuous oversight and can suspend or terminate funding if a partner country's policy performance deteriorates significantly, which creates an incentive for ongoing policy and implementation performance.

**In advance of its selection to develop a compact, the Beninese government initiated sweeping reforms against corruption throughout several government ministries.**

**Policy and institutional reforms:** During compact development, MCC and partner countries look closely at the policy and institutional environment to assess areas that might limit investments' impact and sustainability and plan appropriate policy and institutional reforms. These can be changes to national policies, laws, regulations, or even ways of doing business.

**MCC partnered with the Government of Benin to provide legal, written records of land rights in almost 300 rural communities and replace the obsolete, slow and expensive administrative procedures in urban areas with a modern, cost-effective system for issuing urban land titles. Creating a reliable, efficient, effective, accessible, and understandable property rights system is essential for businesses and households and is fundamental to good governance.**

**Inputs:** MCC's primary input is financial support for investments that promote poverty reduction and economic growth. MCC also contributes technical and professional support for oversight and policy dialogue.

**The construction of one appellate courthouse and eight courts of first instance was planned as the capstone**

In Benin, MCC funded an industrial tugboat that will allow safe movement of more than one ship at a time into and within the port.

Through improved access to modern facilities, the new courts in Benin will provide streamlined procedures that will save time and money and promote the development of modern business activity and investments, large and small.

**of the Access to Justice Project. A compact condition precedent required the passage and implementation of the civil procedure code and the implementation of information-based case management systems in existing tribunals prior to the start of construction. When these conditions were not fully met, MCC informed the Government of Benin in April 2010 that it would finance only the appellate court and the four courts of first instance with the highest volume of cases. The Government of Benin then funded two additional courts of first instance and passed the civil procedures code.**

**Outputs:** Outputs measure the goods or services produced by a program, such as kilometers of roads or irrigation canals built, farmers trained or land titles issued. MCC and its partner countries use monitoring and evaluation plans to establish targets and track progress on outputs.

**The Access to Justice Project trained 100 judges and 98 law clerks in banking law, securities, credit litigation, maritime litigation, and economic and financial crime. The Access to Land Project created 294 village landholding plans, which allow about 75,000 landholders and their families to protect their rights to hold agricultural fields against hostile claims and to seek mortgage credit.**

**Outcomes:** Outcomes measure the medium-term effects of a program, such as increased traffic volume on improved roads, new business investments, increased production of high-value crops, increased access to electricity or clean water, or increased school attendance.

**MCC improved the Port of Cotonou's security, expanded its capacity, enhanced intraport traffic flow, and invested in cost-reduction measures—all of which helped create a more modern facility prepared for the increased movement of goods. The volume of merchandise flowing through the port increased from 4 million metric tons in 2004 to 7 million metric tons in 2010, exceeding the port's previous capacity.**



**Ultimate impacts:** The ultimate result MCC is committed to producing—and being able to attribute to its projects—is increased incomes among poor people in developing countries. MCC wants to know if incomes went up because of an MCC investment, what worked best to increase incomes and if the increases were achieved in a cost-effective way.

**The first results from planned impact evaluations of the Benin Compact will begin in 2014. Studies will measure results of land titling, sustainability of microfinance, efficiency in the judicial system, and traffic volume at the Port of Cotonou.**

**Feedback and learning:** MCC applies lessons learned to maximize development

The Access to Markets Project improved the Port of Cotonou's security, expanded its capacity, enhanced intraport transport, and invested in cost reduction measures.

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# Governance Evolves, and So Does MCC's Response

by princess harris

Promoting good governance is a core MCC principle that shapes relationships with partner countries from selection through the duration of signed compacts.



Since MCC's creation, our country scorecards have been a prominent hallmark of our commitment to maintaining high standards of selectivity and consistency in our expectations of policy performance for our partner countries. MCC's focus on country policy performance extends beyond the moment of initial selection and continues throughout program development and implementation. Governance is in constant evolution, and MCC expects its partners to demonstrate their commitment to sound policy and democratic governance throughout the partnership.

This expectation was made evident over the past year by events in two of MCC's partner countries, Mali and Malawi. The response to negative patterns of action in both countries—and a subsequent clear effort to restore democratic practices in one case—led to very different outcomes. But ultimately, the consequences were genuinely reflective of each partner country's ability or inability to demonstrate their commitment to democratic governance and good policy performance.

In March 2012, a military coup in Mali seized control of government buildings and forced the democratically elected government from office. MCC's compact was six months from completion, but in keeping with our commitment to partner only with countries that uphold democratic governance, MCC began the termination process almost immediately in accordance with our suspension and termination policy. And on May 4, MCC's

Board of Directors approved termination of the compact.

MCC pursued a responsible wind-down of all projects. We ensured beneficiaries resettled under the Alatona Irrigation Project obtained legal rights to their land and were therefore protected from becoming land insecure, a possible consequence of an early ending. The rehabilitation of the airport terminal in Bamako will remain unfinished—a harsh reminder to many Malian stakeholders of what might have been in the absence of the military coup and the continued deterioration of democratic governance.

MCC's experience with Malawi illustrates how holding countries accountable for good governance does not always mean terminating a partnership. In some instances, policy declines can contribute to and invigorate country-led policy reform, if there is political will to meet MCC's standards.

In July 2011, the \$350 million Malawi compact was placed on hold because of MCC's concerns regarding the Government of Malawi's response to nationwide protests. Continued monitoring of negative trends in democratic governance within Malawi led MCC's Board to suspend the compact in March 2012.

When President Joyce Banda took office following the unexpected death of President Bingu wa Mutharika in April 2012, she immediately began to address the concerns that had led MCC

Malawi's \$350.7 million Millennium Challenge Corporation compact is designed to increase incomes and reduce poverty by revitalizing Malawi's power sector and improving the availability, reliability and quality of the power supply.



The compact intends to reduce energy costs to enterprises and households and improve productivity in the agriculture, manufacturing and service sectors.

to suspend the compact. By June, Malawi adopted new policies, new patterns of action, a renewed respect for human rights, and a stronger, more sustainable economic policy. In response, MCC's Board reinstated Malawi's compact, demonstrating that with political will, a country can restore compact eligibility.

MCC's work is grounded in developing programs that will help the poor lift themselves out of poverty. Our strict selection criteria are based on good policy performance. The decision to suspend or terminate a compact is not easy, but it is a responsibility we take seriously to promote good governance. When a government





systematically slips on MCC's policy indicators, it is often to the detriment of its most vulnerable people. And that's who MCC is looking out for. ✨

more:  
→<http://www.mcc.gov/malawi>

## POTENTIAL LOST...

An undemocratic change in government in Mali in March 2012 represented a clear departure from MCC's values and its commitment to work only with countries that uphold the principles of good governance and the rule of law—and resulted in the termination of the country's compact shortly before it was scheduled to close.

After the coup and as a lead-up to termination, MCC and MCA-Mali's focus and resources were redirected from finishing the compact to assuring a responsible and orderly wind-up that would protect beneficiaries and safeguard unfinished construction sites. Despite its premature ending, the compact produced a number of results: It extended and improved the Bamako-Sénou International Airport runway, brought irrigation to about 5,000 hectares of previously non-irrigated land, distributed about 3,000 land titles, improved about 80 kilometers of rural roads, and made investments in improved financial and social services.



The compact made a marked improvement in the lives of many beneficiaries, particularly in the rural area of Alatona, where residents are now more resilient and secure in a region often affected by food shortages. One Alatona resident brought these benefits to light when he wrote to MCC to express his gratitude. Abuuru Sangare described a transformed region where people have enough to eat, livelihoods are improving and those who left in search of better lives are returning. "In the Alatona rice fields there is great happiness," he wrote. "People's hearts are joyful. They have gotten something wonderfully good. Everyone you see has a smile on his or her face and is laughing."



# perfectly CLEAR

El Salvador's commitment to transparency,  
accountability and country ownership

In El Salvador, MCC funded 278 kilometers of water pipes that helped connect over 6,300 households to potable water.

**T**he Millennium Challenge Corporation's model is based on a set of core principles essential for effective development: good governance, country ownership, a focus on results, and transparency. MCC's partners take this principle

seriously—including FOMILENIO, the organization implementing the five-year, \$461 million compact with El Salvador. It has demonstrated a commitment to transparency and country ownership from compact design through implementation and closeout.

## Public procurements

FOMILENIO went beyond MCC requirements for the procurement of compact-related contracts. It publicly opened bids and shared the winning information with beneficiaries in a series of town-hall meetings. This process helped build trust and respect within the communities in the Northern Zone, where most of the compact activities took place.

“We have never seen a program implemented with this much transparency—not only are the bids open to the public, but the community owns the projects,” said Héctor Lara, the mayor of El Paisnal. “This is how development should always work.”

## Ongoing consultations

Over the past six years, MCC and FOMILENIO consulted with more than 10,000 people about the compact. These consultations took place throughout El Salvador, as well as Los Angeles, New York and Washington in an effort to also involve the Salvadoran diaspora—many of whom are from the Northern Zone. The ongoing consultations have allowed Salvadorans to feel a sense of ownership of the compact. As a result, many are investing in the Northern Zone.

Several Salvadorans living in the United States have invested in the Northern Zone and plan to move back to the region. In 1986, Dimas Escobar moved from his hometown of Morazán to New York, where he works as a wholesale seafood distributor. Dimas now owns several successful businesses, including a fish

market and restaurant in New York and a small dairy farm in El Salvador.

After learning about FOMILENIO and MCC’s investments at an outreach event in New York, Dimas travelled to the Northern Zone to gauge the potential for new investments. Soon after his visit, Dimas purchased land to build a small shopping center and invested in his farm to boost quality and production to meet the demands of the region’s reinvigorated dairy market.

## Country ownership

El Salvador has created examples of true community ownership, which will help ensure the projects are maintained and provide opportunities for continued economic growth.

For example, the compact required 10 percent of water and sanitation project costs to be paid in cash by local municipalities and another 10 percent to be paid by beneficiary communities in cash or in kind. The municipalities and beneficiaries initially paid with cash, land or labor, based on the estimated cost of the project; once the actual cost of the project was determined, the counterpart contribution was adjusted.

Municipalities were required to provide the 10 percent in cash to FOMILENIO before the bidding process for each project could start, which ensured local authorities and beneficiaries felt ownership of the project. ✨

more:  
→ [www.mcc.gov/elsalvador](http://www.mcc.gov/elsalvador)

## TRANSPARENCY AND AID EFFECTIVENESS

The 4th High Level Forum on Aid Effectiveness in Busan, South Korea, in 2011 provided an important opportunity to elevate the international dialogue on the effective delivery of foreign assistance. MCC’s approach to development effectiveness stems from country-driven strategies to reform policies and build stronger institutions that propel a comprehensive continuum of results from initial inputs through to impacts.

MCC publishes its economic analyses that inform investment decisions, each compact’s five-year budget, expected results, data on ongoing program progress, and findings of independent impact evaluations as programs complete. MCC also expects transparency from partners that empowers citizens to hold governments and donors accountable for how development resources are used and what results they achieve.

# A GATEWAY TO OPPORTUNITY IN WEST AFRICA

by scott fontaine

**C**ombustion Associates, Inc. (CAI) is a California-based manufacturing company that builds and installs power generation systems worldwide. Founded in 1989 as an environmental engineering and consulting firm, CAI has since doubled the size of its workforce to about 55 full-time employees and has expanded globally to Africa, the Middle East and Asia.

In 2007, CAI won a contract to install an 80-megawatt power plant for the Government of Benin, with which MCC recently finished a five-year, \$307 million compact. CAI shipped its equipment through the Port of Cotonou, which the compact modernized and expanded. *Milestones* spoke with CAI owner Kusum Kavia about her experiences with MCC's work in Benin.

**MILESTONES:** Tell us a bit about what your company produces.

**KAVIA:** We engineer, package and manufacture gas-turbine power plants. They're utilized by anybody that wants 24/7 continuous, reliable power and fuel flexibility. We utilize American technology in everything we put together. From export standpoint, pretty much 99 percent of everything we build is sourced in the United States and then shipped overseas.

**MILESTONES:** Why did you choose to compete for a contract in Benin?

**KAVIA:** Our focus has always been on Africa – particularly West Africa. West Africa has natural gas and oil, and the reason the Government of Benin was putting out the contract was because the West Africa natural gas pipeline was coming into their country. Benin looked at this free supply of natural gas and decided to use it to supply power for the citizens and enable the infrastructure to develop. It attracted us because our power plants run on natural gas and liquid fuel, so when the government put out the (request for quotation), we bid on it because of that. We bid against the Chinese, as well as French and German companies. The Government of Benin liked our proposal because we would use local labor and create jobs, provide training on how to operate the power plant and help the country's economic development.

**MILESTONES:** What does your Benin power project entail?

**KAVIA:** We're closing out on a project with the government that began in 2007. It started out as a 40-megawatt power plant. It was later doubled to 80 megawatts. We were given a piece of land. (The government) said, 'Here it is, go ahead and build a 40-megawatt power station, plus the switchyard, substations and transmission lines.' We had to grade the land, level it, get it ready for the foundation, and build the internal roads.

Think of a utility that would have to put a power plant up in the U.S. It's tough enough. In a developing nation—especially one with language and cultural barriers—it's even more difficult.

We built the power plant in individual 10-megawatt modules and we recognized that logistics and shipping would be a problem.

**MILESTONES:** Why were you concerned it could be a problem?

**KAVIA:** We shipped out of the Port of Houston. It has huge cranes, nice roads. We were concerned about the other end. Our product is sophisticated. It has lots of delicate controls and equipment. How do you protect that on the other end? How do you get cranes that can pick that up without damaging it? And we were

CAI shipped equipment through Benin's Port of Cotonou, which MCC's compact helped modernize and expand. The California-based company has since expanded its investment in West Africa.



worried about getting the right vehicles to transport it to the site, which is about two hours from the port.

**MILESTONES:** What did you find?

**KAVIA:** Having a brand new facility really helped CAI move its goods much, much faster. We didn't encounter as long of a delay in customs clearance. It became so much more beneficial for us as a company that has these huge products coming through the port to know it was a state-of-the-art facility.

**MILESTONES:** How did transporting goods through the Port of Cotonou change during your project?

**KAVIA:** When we sent our first cargo, the port wasn't complete. It was a bit nerve-racking in California, but more so for staff there. By the last time we sent our last piece of cargo—which were switchyard items—they went through the new port. It was so much easier. It helped to have the new facility in place to make it easier to be faster and more seamless than we ever anticipated it to be. The lessons we learned from working in Benin, along with the new port, will make it more cost-effective for our future projects.

**MILESTONES:** Did the improvements to the Port of Cotonou encourage you to invest more in the region?

**KAVIA:** Absolutely. Just recently, the U.S. ambassador invited our staff to the embassy and asked us to speak to other American companies about our successes. The port will come in handy for doing business with the region's landlocked countries. We're looking at installing a

120-megawatt power plant in Mauritania. It would be the Port of Cotonou that we'd bring everything through. We will see more growth because that infrastructure is already in place.

**MILESTONES:** Why the Port of Cotonou over others in the region? If you're going to export to Mauritania, there are other ports closer than Cotonou.

**KAVIA:** The Port of Cotonou is better than the alternatives. Plus, we've been in Benin for four years. We've established relationships. We know government officials. We have local staff there. After four years, we feel more comfortable knowing that our cargo will be going through that port.

**MILESTONES:** Have MCC's investments in Benin allowed CAI to expand its business and hire new employees?

**KAVIA:** Yes. We're hiring staff. We just added two senior project engineers, and we're looking to extend our sales and marketing department. We're also looking for agent distributor agreements so we have in-country representation. We're getting ready for those key markets. We see a ramp-up in business and jobs added because of MCC's work there. ★

more:  
→ <http://1.usa.gov/QUIn1z>

## BURKINA FASO

Access to water is necessary for communities to thrive, especially for farmers who rely on irrigation. I recently visited Burkina Faso, a landlocked country in Africa's Sahel region, where about 95 percent of the poor reside in rural areas. In places like Burkina Faso, effective water management is critical to economic growth and development.

MCC is investing nearly \$142 million to strengthen the agriculture sector through several activities, including improved infrastructure and water management techniques. Like other countries in the Sahel region, parts of Burkina Faso suffer severe water shortages during the eight-month dry season.

For farmers who depend on water to irrigate their land, this can have a serious effect on their crops and income.

In the Sourou Valley, MCC is improving the Di irrigation perimeter, which spans nearly three miles in length and more than 2½ miles wide at its widest point. I was struck by the impressive scale of the project. With over 300 locally recruited workers, the Di irrigation perimeter is a hive of activity and construction. As we toured the various canals, pumping stations and fabrication facilities, we were surrounded by large drilling machines and bulldozers, many of which had never been seen before in

Burkina Faso. It was exciting to think that, upon its completion, the irrigation perimeter would provide food to thousands.

A major problem faced by producers in irrigated perimeters throughout Burkina Faso, including the Sourou Valley, is the lack of investment in and maintenance of secondary and tertiary canals. To overcome this challenge, MCC is helping form water user associations around Di. Newly established private property rights and effective collective action help create incentives for local farmers to invest money and labor into their land and irrigation systems.

MCC is also funding the preparation and implementation of an integrated water resources management system in which local communities will take responsibility for the management, operation and maintenance of water infrastructure and facilities. Moving forward, the Government of Burkina Faso plans to establish similar water user associations in irrigated perimeters throughout the country.

The Di irrigation perimeter is expected to provide food and economic benefits to an estimated 27,000 Burkinabé, transforming at least 1,740 hectares of land and effectively doubling the amount of land being cultivated in the Sourou Valley. This should triple the production volume of cereal

by steven m. kaufmann  
chief of staff



Steve and Deputy Vice President Jonathan Bloom speak to the mayor of Di during their visit with the land agent and village conflict resolution committees.

crops and double the production volume of vegetables. The initiative will play a crucial role in making the land productive year-round and ensuring food security for vulnerable populations.

Just weeks before my arrival, the Government of Burkina Faso passed a comprehensive rural property rights law that will support these investments. With the right mix of infrastructure investments and policy and legal interventions, the MCC compact will lead to sustainable irrigation systems.

The compact is also funding the Rural Land Governance Project, which will help ensure the sustainability of a communal water reservoir that had previously been overused because of poorly defined and unsupported ownership rights and responsibilities.

The first stop on our trip was to the southern commune of Leo, one of 17 communes in which MCC-established village land conflict committees and local land agents have begun to tackle the prevalent problem of land rights insecurity. Despite the heavy rain—Burkina Faso is now in the middle of its rainy season—we were greeted with traditional dancing before meeting in a packed room, where committee representatives, land agents and land holders alike were all eager to share their stories and hopes.

We learned that, as part of the compact, Leo is in the process of defining a land-use charter, which would protect a nearby reservoir. Though only in its initial phase, such a charter would ensure the survival

of the reservoir and of the farmers and fisherman who depend on it for their livelihood.

I was also pleased to meet Aminatou Guiri, the Rural Land Governance Project's first female local land agent, and was struck by her confidence and poise as she made a presentation on conflict resolution and procedures. Land agents like Aminatou will play an essential role in allocating land rights to farmers in the fertile region.

The compact's Roads Project will ensure more Burkinabé than ever have access to regional markets and social services even in the midst of seasonal rains.

Burkina Faso might suffer from severe water shortages during the dry season, but that need not be the case. I came to realize that MCC's land security, agriculture and roads projects in Burkina Faso all have intimate connections with water: the Rural Land Governance Project will help ensure the sustainability of water reservoirs like the one we saw in Leo, the Agriculture Development Project will provide Burkina Faso with the tools to manage water systems like our irrigated perimeters in Di, and the Roads Project will ensure more Burkinabé than ever have access from their farms to regional markets and social services even in the midst of seasonal floods.

It was gratifying to see that MCC's work is not only addressing immediate issues of water management but is also serving as a model for long-term initiatives led by the Government of Burkina Faso. ★



more agribusiness-like and productive, so farmers would make good money to live on comfortably.

Again, I wanted improved rural development, good schools in the rural areas, potable water, health centers dotted all over, good feeder roads accessible, and good market practices to ensure respectable income. That would be the best guarantee to entice the next generation of farmers. They will be well educated and able to benefit from our improved techniques and best practices. This is what we understand by country ownership—the support to realize your individual dream.

**NC:** Where do you see Ghana in the next 20 years?

**KUFUOR:** When I assumed office in 2001, the vision for the country by the previous regime was the hope of moving Ghana into the middle income category by 2020. Within a year in office, after reviewing the possibilities, our resources and also gauging the interests of the Ghanaian people, my government revised the vision to 2015. We said by the year 2015, Ghana should become middle income.

Then, we set to work using five priorities after stabilizing the macroeconomy, vigorous infrastructure development, modernizing and commercializing agriculture, pragmatic approach to social services like education and health care, good governance and then, last but not least, developing the private sector. The private sector had been so ignored

by so many successive regimes since independence 40 or 50 years earlier.

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My government wanted to unleash the wealth of the country. Ghana sits on a lot of natural resources; we have minerals: gold, manganese, bauxite, good water sources, and fertile lands. The population is not too big, 25 million, and yet, the per capita income was like \$300 dollars! We just couldn't accept it. So we tackled our five priority areas with vigor, and within four years or so, because of our determination, we moved from a highly indebted poor country which had been rendered insolvent and unattractive to creditors, to a country listed by international assessors, like Standard & Poor's and Fitch, at B+, in the same bracket as Brazil. Then, the investments started coming in. Ghana has promise.

**NC:** What should be the role of developing countries in the foreign assistance dialogue. In shaping the agenda and shaping the outcomes?

**KUFUOR:** We should be at the table, yes. If you are serious about ownership, this is the best way to display it. When you go to a doctor, no matter how good the doctor is, your first question from him would be, "What is your trouble?"

Also, I believe the developing world should be able to state clearly and unequivocally, some of the challenges we face. It is when we know our problems that we can begin to take ownership of how we tackle the solutions to the problems. ✨

MCC worked with Nestor Hassou (pictured) and people in 294 communities to establish rural landholding plans that provide legal, written records of rights. These plans will strengthen property rights for more than 637,000 Beninese.



effectiveness. This involves working with partner countries to identify and address implementation challenges, keep current investments on track and inform the design and implementation of future investments. Reflecting a commitment to transparency, MCC shares the results of all evaluations, even when they reveal that MCC investments did not achieve

planned targets. This is essential both for accountability and learning.

**MCC's experiences with capacity building, impact evaluation methodology, private sector partnerships, and reforming policies have contributed to ongoing lessons to refine and strengthen its own model. ★**

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