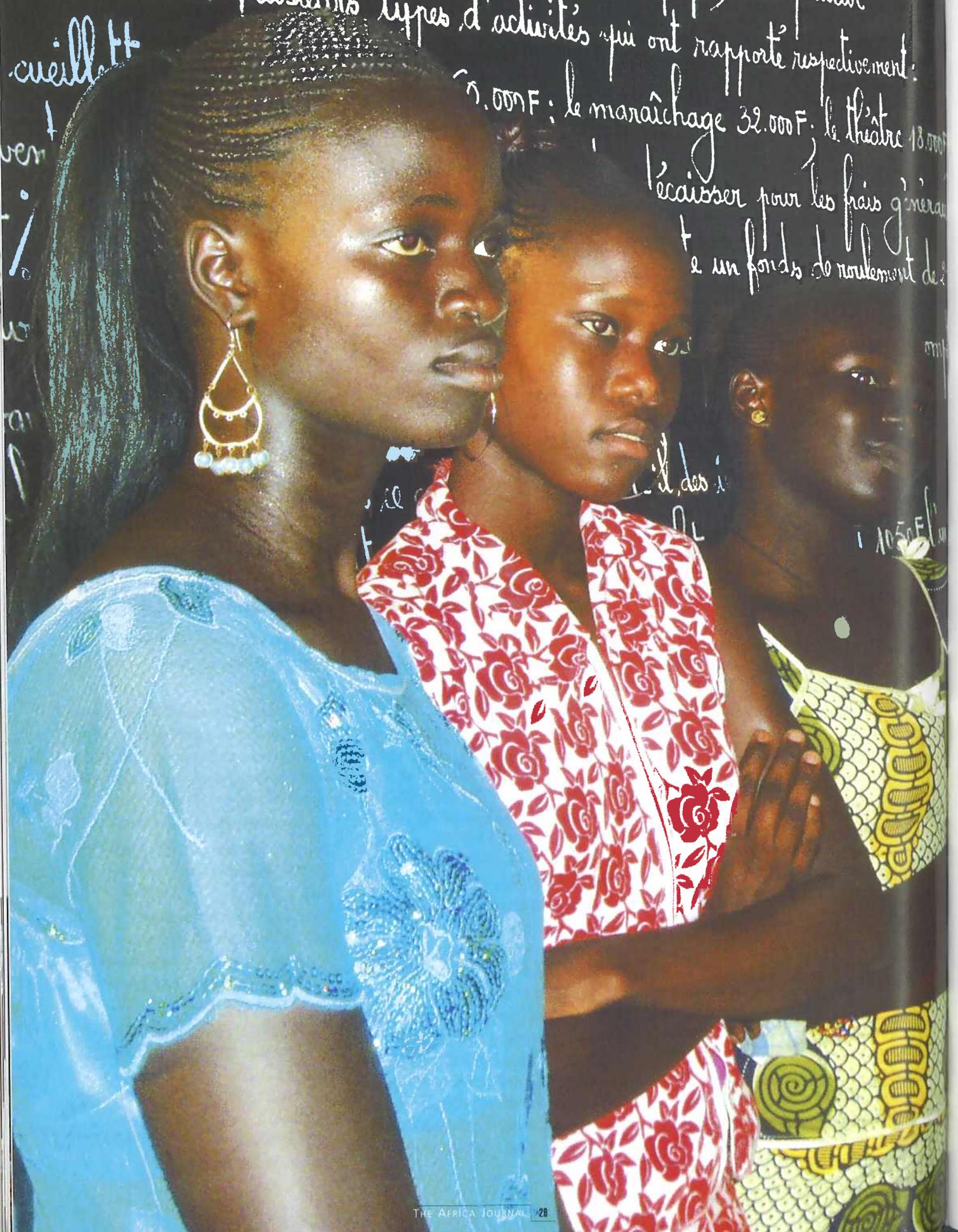


Pour obtenir des fonds afin de s'équiper, une coopérative
laire, a même plusieurs types d'activités qui ont rapporté respectivement:
cueille
vent
5.000 F; le maraîchage 32.000 F; le théâtre 13.000 F
l'écaisser pour les frais généraux
e un fonds de roulement de



AFRICA AND THE MCC: PARTNERSHIPS FOR PROGRESS, A LEGACY OF RESULTS

< By Ambassador John J. Danilovich >

Strengthening the bilateral relationships with the unique and diverse countries on the African continent requires a multifaceted approach that places a premium on partnership and a focus on helping countries deliver tangible results for their people. The myriad challenges that face Africa - from hunger to HIV, housing to education - all have at their core the common problem of systemic poverty. The U.S. Government is acutely aware of this reality and has put combating poverty at the forefront of American engagement with the Continent.

The U.S. Government's Millennium Challenge Corporation (MCC) partners with African countries in an innovative way, with a mission to reduce poverty and create economic growth. It is regarded as one of the most successful dimensions of U.S.-Africa relations. These MCC partnerships illustrate what can work and reflect the culture of reform and opportunity that is already improving the lives of Africa's poor in tangible ways. MCC's African partnerships are redefining the role that American foreign aid can play in sustainable development, both in terms of changing policies and achieving results on the ground. African governments receiving MCC grants demonstrate the visionary leadership and the resolve to pull their people out of poverty with their own citizen-driven, pro-growth plans for a more prosperous future. MCC is proud to be a strategic tool that supports Africa in this quest.

PUTTING A NEW MODEL TO WORK FOR AFRICA

The MCC model of development assistance first became a reality in Africa in April 2005, with the award of a \$110 million grant to Madagascar that advances their plans to move to a market-driven economy and bolster agricultural productivity. Now, the continent of Africa is the largest recipient of MCC's development assistance, both in the number of agreements and in the amount of assistance provided. Eleven countries throughout Africa (out of a total of 18 countries worldwide) are recipients of MCC's large-scale, five year grants, called compacts, totaling \$4.6 billion. Another \$147 million has been awarded for nine smaller "threshold" programs throughout Africa to help countries qualify for the larger compact grants. Compacts and

threshold programs in Africa amount to 70% of MCC's total worldwide commitment of \$6.7 billion.

Many African leaders have responded enthusiastically to the opportunities provided by MCC's innovative method of delivering development assistance. They embraced the model's demanding expectations that challenged them to further champion policy reforms, prioritize development needs, and focus on ensuring that the programs will produce measurable results with the aid granted.

- **MCC's model is performance-based and results-focused**, requiring transparency and accountability, to ensure that development assistance actually yields benefits for the poor. MCC awards grants to those countries that undertake political, economic, and social policy reforms to rule justly, fight corruption, invest in health and

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education, and promote economic freedom.

- **MCC-funded programs are country-led and results-focused**, thereby changing the dynamic from donor and recipient countries interacting on uneven footing to one of equal partners in development working shoulder-to-shoulder toward change. A Ghanaian minister summarized MCC's approach to development assistance best when he said, "Unlike other traditional development assistance programs where the donor proposes how funds are used, countries selected under the Millennium Challenge...propose programs to receive funding...[it] is designed to allow developing countries to take ownership and responsibility for funds provided by the Millennium Challenge Corporation."¹

POLICIES CHANGED, PROGRESS MADE

MCC supports countries around the world in creating *their* solutions to *their* challenges, and MCC's African partners have welcomed this country-centered approach to development. As a government official in Lesotho noted as his country developed its MCC compact, "The intangibles gained from taking control of our own development destiny are the most important part of the process."²

MCC's African partners are embracing reforms to retain, maximize, and leverage their MCC funding, and to ensure the sustainability and long-term viability of program results. All segments of society are being engaged in the process to identify development goals and implement action toward them. They are building their capacity to fight poverty and are promoting healthy business climates so that trade and

COMPACT with	GRANT AMOUNT of (in millions)	SIGNED On
Madagascar	\$109.8	April 18, 2005
Cape Verde	\$110.0	July 4, 2005
Benin	\$307.3	February 22, 2006
Ghana	\$547.0	August 1, 2006
Mali	\$460.8	November 13, 2006
Mozambique	\$506.9	July 13, 2007
Lesotho	\$362.6	July 23, 2007
Morocco	\$697.5	August 31, 2007
Tanzania	\$698.1	February 17, 2008
Burkina Faso	\$480.9	July 14, 2008
Namibia	\$304.5	July 28, 2008
TOTAL compacts in Africa	\$4.6 billion	11 compacts

THRESHOLD PROGRAM with	GRANT AMOUNT of (in millions)	SIGNED On
Burkina Faso	\$12.9	July 22, 2005
Malawi	\$20.9	September 23, 2005
Tanzania	\$11.2	May 3, 2006
Zambia	\$22.7	May 22, 2006
Kenya	\$12.7	March 23, 2007
Uganda	\$10.4	March 29, 2007
São Tomé and Príncipe	\$8.7	November 9, 2007
Niger	\$23.0	March 17, 2008
Rwanda	\$24.7	September 24, 2008
TOTAL threshold programs in Africa	\$147.2 million	9 threshold programs

private enterprise can serve as the engines of long-term economic growth. For example, both Mali and Benin are using MCC compact funding to undertake significant land reforms that are necessary to promote secure land

rights, access to credit, investments, and increased productivity. Zambia used MCC threshold funding to reduce opportunities for corruption by decreasing the number of days required to start and register a business, register a property sale, and

¹ From the May 21, 2007 speech by MCC CEO John Danilovich at the U.S. National Commission for UNESCO Annual Meeting

² From the April 27, 2005 congressional testimony of MCC CEO Paul Applegarth before the House International Relations Committee

export and import goods. Before signing its MCC compact, Lesotho legally guaranteed gender equality in economic rights.

Because of the positive policy reforms they have made, MCC's African partners are utilizing their MCC investments to:

- rehabilitate roads, ports, airports, and energy grids;
- expand social and financial services, like education, access to credit, land tenure, business development initiatives, and health clinics to treat HIV/AIDS and other diseases;
- improve water and sanitation services;
- strengthen small-scale fisheries and artisan training; and
- increase farmer incomes through better agriculture techniques.

These investments take different forms depending on each country's development priorities. Cape Verde has constructed roads to integrate markets and reduce transportation costs. Ghana is rehabilitating rural elementary schools. "Girl-friendly" classrooms are open in Burkina Faso, where nearly 17,000 Burkinabe students attend school, 55 percent of whom are girls. Benin has selected the first rural villages to benefit from land tenure reforms. Madagascar is helping women secure microloans to grow their small businesses.

Even before the global food price crisis captured headlines, many of MCC's African partners decided to use their MCC grants to invest in agriculture, strengthening production and infrastructure to advance long-term food security. Nearly one-fourth, or over \$1.1 billion, of total funding under MCC compacts with Africa supports agriculture development, including investments in rural roads to help farmers reach markets. MCC investments in other areas - such as formalizing property rights and expanding the financial sector - are contributing to agricultural and rural development in Africa. To further this

progress, MCC and the Alliance for a Green Revolution in Africa (AGRA) signed a memorandum of understanding in June 2008 to collaborate and share ideas on smart, sustainable solutions that improve the productivity and incomes of small-scale farmers and poor rural households. In Madagascar, for example, AGRA is expected to invest nearly \$500,000 to work with MCC-funded agricultural business centers to set up farmer-based seed multiplication sites for improved varieties of rice, corn, and beans.

Ultimately, by further adopting sound policies and by building their capacity to implement their MCC programs, African countries are sending a clear message to the private sector that they are open for business. Given the high hurdles to qualify for MCC funding, MCC-eligible countries are considered investment opportunities. MCC investments in African partner countries create opportunities for complementary or parallel investments from the private sector. These investments include sourcing fruits and vegetables from compact-supported African farmers. These might entail the sale of fertilizer and cold chain technology to compact-supported farmers. Private sector investment opportunities might include building clinics, schools, factories, production facilities, hotels, gas stations, or other facilities along an MCC-constructed road in an African country. African partner countries are using their MCC label to attract private enterprise, creating a win-win outcome for poverty reduction and bottom lines.

PRESIDENT OBAMA AND THE MCC

All of these things - policy reforms, implementation successes, sector improvements, and expanded private sector opportunities and investments throughout Africa - are evidence of the success of the MCC model in forging productive partnerships with African countries. These partnerships are excellent

examples of America's positive and constructive engagement with Africa.

The U.S. Government is a staunch friend of Africa, as evidenced in recent years by quadrupling aid, expanding trade, supporting education, and tackling diseases like HIV/AIDS and malaria. Speaking of these advances, Liberia's President Ellen Johnson Sirleaf confirmed in October 2008 that the United States "on the continent of Africa...will be remembered for its generosity; for taking a historically limited amount of funds dedicated to the Continent and increasing assistance exponentially."³ Particularly in light of the global financial downturn, now is the time to build upon - not abandon - the successes already on the ground in Africa.

As Americans transition to a new administration, our commitment to fighting global poverty must remain a national priority in order to advance long-term global prosperity and security. MCC is proud of its considerable role in meeting the strategic objective. MCC is committed to reducing poverty through sustainable economic growth in partnership with countries worldwide, including those in Africa. The Millennium Challenge Corporation and its African partner countries have made great progress, and this progress must continue if Africa's poor are to achieve the brighter future they deserve. Africans are committed, engaged, and expect no less. ●

Ambassador John J. Danilovich is Chief Executive Officer of the Millennium Challenge Corporation, and previously served as U.S. Ambassador to Costa Rica and Brazil. At MCC, foreign aid is effective because it reinforces good governance, economic freedom, and investments in people. Under Ambassador Danilovich's leadership, MCC has become a key U.S. Government agency committed to the fight against global poverty, partnering with countries in Africa and worldwide to reduce poverty through sustainable economic growth. For more information, visit www.mcc.gov.

³ From the October 21, 2008 White House Summit on International Development: Sustaining the New Era