

MCC and the Millennium Development Goals

In September 2000, the United States committed to the United Nations Millennium Declaration, which contains goals for reducing poverty and hunger, strengthening access to education, and improving health, including combating major diseases, by 2015. The Millennium Challenge Corporation (MCC) plays an integral role in the U.S. Government's pledge to assist countries in their efforts to achieve the MDGs and improve the lives of their people.

MCC's Commitment

MCC's mandate to reduce poverty through economic growth underpins progress on all of the MDGs. Only with sustained increases in income can families overcome poverty and meet their basic needs in terms of health, education, and equal opportunity for women and girls. MCC's emphasis on good governance, country ownership, and accountability for results lays the groundwork for sustainable development progress well beyond the 2015 goals.

"We will support the Millennium Development Goals, and approach next year's Summit with a global plan to make them a reality. And we will set our sights on the eradication of extreme poverty in our time."

*—President Barack Obama
UN Speech, Sept. 23, 2009*

- ★ **Fostering broad-based economic growth.** MCC's core mandate is to reduce poverty in well-governed poor countries through sustainable economic growth. Since 2004, MCC has committed over \$7 billion to support countries' own development priorities. When given the opportunity to choose under MCC's country ownership model, MCC's partner countries have consistently prioritized investments in agriculture, rural development, and key infrastructure such as roads, water and sanitation, energy, ports, health clinics, and schools. Partner country governments, civil society, and private sector see these as the basis for economic opportunity, poverty reduction, and access to essential services.
- ★ **Emphasizing good governance.** MCC works only with countries that have a track record of ruling justly, promoting economic freedom, and investing in people. These are essential ingredients for economic growth to occur, for development assistance to be effective, and for progress to be sustainable. By selecting country partners who perform well in these areas and leveraging continued domestic policy reform to support

growth, good governance, and an enabling environment for trade and investment, MCC creates an incentive for them to improve performance on the MDGs, including in areas such as girls' primary school completion rates, immunization rates, incidence of child mortality, access to water and sanitation, and natural resource management.

- ★ **Insisting on accountability for results.** MCC is a recognized leader in the U.S. Government for its rigorous approach to projecting, tracking, and evaluating the impacts of its investments. With this approach, MCC ensures that scarce assistance dollars are directed where they will have the greatest impact in terms of poverty reduction. This accountability is essential for making wise investments and meaningful progress toward the MDGs.
- ★ **Pursuing innovative solutions to address development needs.** MCC's ability to respond to partner countries' long-term development priorities, to put them in the driver's seat when prioritizing investments and implementing programs, to be transparent in projection and achievement of results, and to hold firm on policy performance are innovations themselves. MCC is building on this foundation to attract private sector partnerships that complement and increase the impact of MCC investments, and pursue innovative approaches such as challenge grants to spur public and private investments in renewable energy.

Examples of MCC Investments Related to MDGs

“To halve, by 2015, the proportion of the world's people whose income is less than one dollar a day and the proportion of people who suffer from hunger”

MCC's mandate is to reduce poverty through economic growth, measured by increased incomes for program beneficiaries. MCC's entire portfolio of over \$7 billion—over \$5 billion of which is invested in sub-Saharan Africa—directly supports this aim. These investments are projected to benefit 45 million people and lead to approximately \$9 billion in increased income.

The priorities of MCC's partner countries have shaped MCC's portfolio, leading to investments of almost \$4 billion in agriculture, rural development, irrigation, rural roads, and other key infrastructure. These investments are not only an important contribution to poverty reduction, but also to combating food insecurity. To date, MCC's food security investments have specifically reached over 100,000 farmers with training in new technologies to improve production and links to markets and support almost 45,000 hectares of land under improved production. Combined with MCC's overall investments, such as roads that help farmers get their products to market, irrigation networks, and increased access to rural credit, these programs not only help producers increase their incomes, they also make more food available for everyone.

For example, in **Ghana**, MCC assistance is helping farmers improve productivity of staple and commercial crops through training, improved irrigation, land tenure, access to credit, transportation, cold storage, and community services. MCC's investment is estimated to benefit over 1,200,000 Ghanaians with a projected income gain of \$683 million over 20 years.

“By the same date, to halve the proportion of people who are unable to reach or to afford safe drinking water”



In **Mozambique**, MCC assistance is providing access to safe, reliable water and sanitation services to increase productivity and reduce water-borne diseases to benefit some 1.9 million people. The project will supply water and sanitation services to six cities, water supply to two mid-sized towns, and 600 rural water points. Water supply and sanitation projects are taking place in three of the four most northern and poorest provinces of Mozambique where the compact is active.



In **Lesotho**, MCC funding will provide essential infrastructure to deliver water for industrial and domestic uses. Approximately 25,000 domestic users in selected urban and rural areas will benefit from MCC-funded water system upgrades and expansion.



In **El Salvador**, MCC is investing nearly \$24 million to provide access to potable water systems and sanitation services to benefit thousands of people in the poorest region of the country.

“To ensure that, by the same date, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling and that girls and boys will have equal access to all levels of education”



In **Burkina Faso**, \$13 million in MCC assistance is focused on improving girls' primary completion rates. Through construction of 132 new “girl-friendly” schools, this project reached over 18,000 students and, according to an independent impact evaluation, was successful in increasing enrollment rates and test scores.



In **Liberia**, a portion of MCC \$15 million threshold program will help increase girls' primary education enrollment and retention in three communities through a scholarship program for girls as well as community grants to improve the school environment and support other social interventions, such as mentoring and awareness campaigns.



In **El Salvador**, MCC supports a scholarship and vocational training program for youth, aimed at helping them stay in school and gain skills to increase their opportunities for employment. Thanks to a gender diagnostic, this program was designed specifically to engage girls, single mothers, and other women, resulting in higher

than expected interest, enrollment, and participation, particularly among underserved groups. 67.3 percent of the participants in the vocational programs are young women.

“By the same date, to have reduced maternal mortality by three quarters, and under-five child mortality by two thirds, of their current rates”



MCC's **Peru** threshold program, implemented by USAID, is providing approximately \$10.5 million to increase immunization rates by strengthening the vaccine supply chain and improving immunization information management. In order for Peruvian health officials to reach large unvaccinated populations in the country's highland and jungle regions, the threshold program supports mobile health units — comprising a doctor, nurse, dentist, obstetrician, and a health technician — that travel to remote, less accessible rural communities to deliver basic health services, including immunizations. A recent USAID survey among health posts in the eight targeted regions shows that vaccination rates increased by 13 percent for measles and 8.8 percent for DPT₃ (three doses of diphtheria, tetanus, and pertussis) from 2008 to 2009.



In **Indonesia**, part of MCC's \$55 million threshold program focused on improving immunization rates of children. The immunization component ended in March 2009 and achieved significant results, including the vaccination of over five million children for measles and DPT₃ (diphtheria, tetanus, and pertussis).

“To have, by then, halted, and begun to reverse, the spread of HIV/AIDS, the scourge of malaria, and other major diseases that afflict humanity”



In **Lesotho**, where 24 percent of the adult population is estimated to be HIV-positive, MCC is providing \$122 million to rehabilitate health clinics, enlarge 14 hospital out-patient clinics to deliver integrated HIV services, improve the blood supply, and train nurses in order to improve service quality and availability for primary health care clients. These health sector investments are estimated to benefit approximately 752,000 persons in both urban and rural areas.



In **Cape Verde**, and in several countries with large MCC-funded infrastructure projects, MCC assistance helped local officials develop an HIV/AIDS awareness campaign in conjunction with an MCC-funded road rehabilitation project. The program gives construction workers and local community members access to information; free, voluntary HIV/AIDS testing; and follow-up counseling.

Visit MCC's Millennium Development Goal web page at <http://www.mcc.gov/mdg>