

## UNITED STATES MISSION TO THE UNITED NATIONS



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USUN PRESS RELEASE # 233(06)  
FOR IMMEDIATE RELEASE

September 18, 2006

Statement by John Hewko, VP of operations for the Millennium Challenge Corporation, during the High Level Meeting on the midterm comprehensive global review of the implementation of the Program of Action of the Least Developed Countries for the Decade 2001-2010.

Mr. President. The United States is pleased to be able to participate in this important event to discuss the issue of social and economic development of least developed countries.

Desperate poverty challenges us all. Without hope, opportunity and freedom, unchecked poverty breaks trust, impedes effective action, and breeds anger and despair.

Let me be clear. The people of the United States, and their government, know that it is in our national interest to help lift from poverty those in the economically Least Developed countries. Under this administration, development *has* become a pillar in our national security strategy.

United States' Official Development Assistance has nearly tripled from 2000 to 2005, from just under \$10 billion to nearly \$27.5 billion. US bilateral aid to the Least Developed is up sharply as well, increasing by over 40 percent to nearly \$5 billion from 2004 to 2005 alone. Aid to Africa, where growth and other positive change is visible in many places, was three and one-half times greater in 2005 than it was in 2000.

These are the biggest aid increases since the Marshall Plan.

The United States is also by far the largest single source of humanitarian aid and disaster relief, and of aid in the fight against HIV-AIDS, TB, malaria and polio.

Private philanthropic giving is a tradition for U.S. citizens, who believe deeply in helping others. Every year, billions of dollars flow from our people to yours, to assist those devastated by tsunamis, floods, famines and other tragic events.

U.S. support goes wherever people are suffering, regardless of where that may be. Along with the international community, the United States knows that there is no substitute for the strong will and efforts of the Least Developed themselves in the long quest to end desperate poverty.

Yet, donor partners and outside aid can play an important, catalytic role.

In recent decades, hundreds of millions of people have been lifted from poverty by economic growth and the creation of more capable institutions. There is unprecedented hope and practical evidence that together we can help the poorest enjoy better lives with their families and communities.

In 2000, the United States and United Nations partners agreed to work to meet the quantitative development goals set forth at the Millennium Summit. In 2002, in Monterrey, the United States also agreed with our UN partners to provide more aid to countries taking the essential steps to help their own people make development progress.

We have kept our promise.

In Monterrey, President Bush announced a path-breaking program, the Millennium Challenge Corporation, or MCC. The MCC's single focus is to provide support to those poor countries which are indeed taking steps to invest in their own people, to promote economic freedom and opportunity, and to encourage accountable and inclusive governance, where individual rights and free expression are respected.

MCC's mandate is to reduce poverty through sustainable growth. We work with partners whose own performance makes reaching that goal a real possibility. The MCC is already engaged with 23 countries whose policy performance, measured by independent, objective indicators, has made them eligible for MCC funds. Among them are 12 Least Developed Countries.

We are proud to have already reached agreement with 9 partner countries on MCC-funded Compact programs designed to get real results for the poor. Our current 9 Compact partners are Madagascar, Cape Verde, Honduras, Nicaragua, Georgia, Armenia, Vanuatu, Ghana and Benin. Four of these are also Least Developed Countries.

Our Compact partner countries deserve credit, as do all the eligible countries, for their own performance. They are creating conditions for progress. Cape Verde is actually graduating from Least Developed Country status. We hope that MCC support brings them still more development success.

The United States has committed over \$2 billion to our Compact partners. We obligate the full amount for these multi-year programs up-front. If partner countries continue their good development efforts, they can count on U.S. support.

Each Compact country also has worked very hard to consult with its own people and to develop sound development investment proposals for MCC funding. We require that governments identify the poverty impacts and economic benefits, including specific beneficiaries and particular development outcomes — not just budget costs and kilometers of roads paved — so that together we can make headway on concrete development goals.

They have met that challenge.

The approach taken by the United States' Millennium Challenge Corporation reflects recent decades of experience on what drives lasting development progress. It also embodies what we all agreed to in the 2001 Brussels Plan of Action for the Least Developed Countries. There are no one-size fits all recipes for development.

Country ownership, capacity-building, just and inclusive governance, effective institutions and rule of law, open markets, trade and productive investment, environmental sustainability and mobilization of financial resources must all be part of the mix.

The MCC approach embodies these ingredients, in its performance incentives, in its partnership with developing countries, in the substantial resources it makes available to them and in the measurable results it expects from them.

We enjoy very much the hope that a growing economy, investments in people and a culture of entrepreneurship bring to our society. We know by experience that these things do not come easily, or overnight.

But, hope, opportunity and inclusion are antidotes to the frustration and deprivation that can drive people apart. The United States, including those of us at the Millennium Challenge Corporation, will stand shoulder-to-shoulder with the Least Developed Countries as they strive to better the lives of their citizens. Their progress will be ours as well.

Thank you very much.