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REMARKS

**Secretary of State Condoleezza Rice
Signing Ceremony for Millennium Challenge Corporation's
Compact with the Republic of Ghana**

**August 1, 2006
Benjamin Franklin Room
Washington, D.C.**

(10:00 a.m. EDT)

AMBASSADOR DANILOVICH: Thank you. Your Excellency, President Kufuor, Madame Secretary, Ambassador Tobias, MCC board member Ken Hackett, Secretary Chao, Secretary Jackson, Mayor Williams, Ambassadors and distinguished guests, I'm delighted to welcome you here today to witness the signing of the Compact between Ghana and the Millennium Challenge Corporation. I'd like to extend a special and warm welcome to the delegation from Ghana. President Kufuor, thank you for your outstanding leadership and instrumental role in bringing us to this important milestone in the relationship between our two countries.

Ambassadors Poku and Bridgewater, thank you for your invaluable support in developing this agreement. I especially want to recognize the dedication of the Ghanaian transaction team led by Minister Nduom and MCC's team led by Jonathan Bloom and Maureen Harrington, who have worked so hard to develop an ambitious program that will benefit over one million Ghanaians.

Helping the world's poor escape the grip of poverty is one of the greatest challenges of the 21st century. President Bush established the MCC as a new way to meet this challenge by encouraging nations to establish policies that reduce poverty and promote economic growth. Our investment in Ghana will lift more than 500,000 poor Ghanaians out of extreme poverty and will lift over 1 million people out of poverty in total. The people of Ghana have developed an integrated, results-oriented antipoverty program that seeks to improve the lives of the rural poor by raising farm incomes through private-sector led agribusiness development.

Agriculture is the backbone of Ghana's economy, representing 40 percent of the country's gross domestic product and employing over 70 percent of the labor force. For the regions that are the focus of this program, the incidence of poverty among the rural population ranges up to 90 percent. Since women make up 70 percent of the agricultural workers, the Compact will particularly enhance their quality of life. The five-year \$547 million Millennium Challenge Compact with Ghana is our ninth Compact and our largest grant to date.

The agreement funds three integrated projects: agricultural development, transportation and rural development. Let me briefly touch upon each one. The first component of the \$547

million Compact is a \$240 million agricultural project that will benefit farmers of all types and scale. This program also includes seasonal and term credits to farmers, investments in irrigation, investments in storage and processing facilities and services to facilitate land transactions.

The second component of the Compact is a \$143 million transportation initiative that complements the agricultural program by reducing the transportation costs of getting crops to market.

Finally, the \$100 million rural development component is designed to expand community services and build local government capacity. The funds will be used to build schools, invest in water and sanitation and provide electricity to homes and businesses in rural areas, and will greatly improve the lives of the rural poor.

The Millennium Challenge Corporation Compact with Ghana is a great example of how President Bush's bold vision is working to transform lives and provide hope for men, women and children in developing nations around the globe. Through this program, Ghanaians are building the capacity within their country to access and participate more fully in the global marketplace. The Ghanaian economy is growing, and this program will help the rural poor to participate in and contribute further to Ghana's growth.

The MCC and MCA countries are guided by our shared partnership, our shared accountability and our shared results. The signing of this Compact today is an affirmation in our confidence in Ghana. We are confident that Ghana will continue its commitment to good governance and to building and strengthening the institutions that will deliver results to the Ghanaian people.

We are excited as we embark upon the next chapter of our dynamic relationship and we begin implementation of this Compact. We are proud to be associated with you in this endeavor.

To President Kufuor and the people of Ghana, our sincere congratulations for your terrific achievement.

(Applause)

It is now my great pleasure to invite the Chairman of MCC's Board of Directors, Secretary Rice, to come to the podium

(Applause)

SECRETARY RICE: Good morning, ladies and gentlemen and welcome to the Ben Franklin Room of the Department of State. I am honored to welcome the distinguished members of the Ghanaian delegation, including Your Excellency President Kufuor, Foreign Minister Akuffo-Addo, Minister Nduom and Ambassador Poku. It is also a pleasure to welcome several of my cabinet colleagues here, Secretary Elaine Chao of the Department of Labor, Secretary Alphonso Jackson of Housing and Urban Development, the members of the MCC Board including of course, our CEO Ambassador Danilovich, USAID Administrator Randy Tobias and Ken Hackett, the President of Catholic Relief Services, along with Under Secretary Josette Shiner and

our very fine Ambassador to Ghana, Ambassador Pamela Bridgewater. Thank you very much for being here.

Distinguished guests, ladies and gentlemen, today represents a great achievement for the people of Ghana and their government. It is also a testament to the friendship of our nations that share the foresight of both of our Presidents, President Bush and President Kufuor. This \$547 million Millennium Challenge Compact, the largest and by far the most ambitious to date, will go a long way towards helping Ghana achieve its goal of reducing poverty and improving the lives of its poorest citizens.

President Bush is committed to empowering developing nations to achieve sustainable economic growth that reduces poverty. More than just good intentions, the President wants real results that transform the lives of the poor. So he created the Millennium Challenge Account Initiative to help developing nations access and benefit from opportunities in the global marketplace.

The Millennium Challenge Corporation rewards those countries that have demonstrated their commitment to ruling justly, advancing economic freedom and investing in their people. Since the MCC's inception, the United States has signed eight Compacts with nations like Honduras and Nicaragua and Benin and now Ghana, for a total commitment of \$2.1 billion.

The ninth Compact that we sign today with Ghana is a wonderful example of how President Bush's full vision is being transformed into a brighter future for men, women and children in developing nations across the globe. The Ghanaians developed this program to fight poverty and improve the lives of the rural poor. In fact, the Compact will directly touch the lives of those in the greatest need. It will help Ghanaian farmers to grow more food, to get their crops to market and to integrate more fully into the global trading system. This Compact will fund rural development and the renovation of schools so Ghanaian children will have the best environment in which to learn.

President Kufuor, I want to recognize you personally for the instrumental role that you have played in bringing our nations to this historic day. You've made a tremendous contribution to the future success of your people, Mr. President, and I want to thank you for it. But I also just want to add a personal note. I've had the opportunity to work with President Kufuor over the last several years on a host of issues including issues of regional conflict and development. Mr. President, you are one of the best examples of a new Africa in which responsibility counts.

(Applause)

I also want to congratulate the staff of the Millennium Challenge Corporation. When President Bush came to swear in Ambassador Danilovich in this room back in December, he challenged him to do more and to do it faster. With four new Compacts totaling over \$1.1 billion since, Ambassador Danilovich and his staff have definitely met that challenge. Thank you John and thanks to your staff.

(Applause)

This Compact and the eight others MCC has signed to date reflect our shared vision of accountability for both rich and developing nations alike. By taking responsibility for their own development, Ghanaians are laying the foundations within their own country to spur economic growth, create opportunities, and build a future of hope and prosperity for themselves and for their children. We look forward to our continuing strong partnership with Ghana as we implement this Compact, and we look forward to stories in the future that the lives of Ghanaian farmers and Ghanaian children, the Ghanaian people in general, have been made better by what we do here today. And now it is my honor to yield the podium to President Kufuor.

(Applause.)

PRESIDENT KUFUOR: Secretary Rice, Ambassador Danilovich, distinguished Secretaries of States, Excellences, distinguished ladies and gentlemen, I thank you all for being a part of this brief but very historic occasion.

The signing of the Compact for the Millennium Challenge Account is a momentous event for many reasons including, firstly, it is hugely significant of the changing relations between the rich and developed nations of the world described as the north and the poor developing nations described as the south. Since 2002 when the United Nations General Assembly endorsed an earlier decision made in the 1970s that the rich nations of the world should support the poor developing countries with .7 percent of the GDPs, not much has been done to realize this laudable proposal.

Now in the councils of the G-8, strong indications are being made of the commitment of the rich to begin to fulfill this promise if not to the figure of .7 percent of GDPs at least to the substantial increases in the volume of the supports.

I believe that the United States' policy that has resulted in the launch of the MCA or Millennium Challenge Account is in this direction. Happily, Ghana is one of the first recipient countries to sign the Compact to access a substantial pact, indeed one-quarter of the \$2.1 billion Secretary Rice has stated.

On behalf of Ghana and on my own behalf, I salute President George W. Bush, the Government, the Millennium Challenge Corporation, and indeed the people of the United States of America for this initiative.

Secondly, the successful implementation in Ghana of the Compact, which we are signing today, will launch an epochal transformation of my country's agriculture into modernity not only in agricultural practices but also in value addition and agro-industrialization with great promise for enhanced productivity, commerce, food security, employment generation, rural development and poverty alleviation.

Thirdly, Ghana, as one of the first nine nations of the south to be benefiting from the first tranche of the account is positioning herself to apply the Compact resources so efficiently and purposefully for sustained socioeconomic development as to become a beacon for other needy

nations to seek to emulate a good governance practices which have qualified her for a share in the accounts.

I'm sure good democratic governance, the rule of law, respect for human rights, recognition and promotion of the private sector as the main engine for economic growth, gender balance, rural development, sound macroeconomic management, and the poverty alleviation policies of the government were all taken into account by the Millennium Challenge Corporation to decide to select Ghana.

The Millennium Challenge Corporation has not been sparing in its study of Ghana's entire socioeconomic system to be convinced that whatever was approved for her will be well invested and applied to become a catalyst and a leavening agent in the economy to generate sustained growth for the society.

Indeed, over the past five years Ghana has managed herself so competently as to be acknowledged on the continent of Africa as a stable and peaceful nation, registering steady economic growth with increasing social services in education and health care delivery for her citizens.

In spite of the progress, however, she still has a serious problem of poverty to alleviate. The per capita income is around \$600 USD. About 60 percent of the population is rural and the economy largely agricultural with much of it subsistent. Fortunately, she's blessed with fertile lands and good watercourses. Since 2002, the government has been pursuing a development strategy to move the nation into middle income status by year 2015 with GDP per capita about \$1,000 USD. Marked progress has been made on this trajectory with rate of growth moving from 3.7 percent in year 2001 to 4.2 percent in 2002, 4.8 in 2003, 5.2 in 2004, 5.8 in 2005 and now over 6 percent.

(Applause.)

It is realistically estimated that with this obvious acceleration, we can achieve and sustain 8 percent in the next two years and thereby enter the threshold of middle income. Among the priority policies of this strategy are human resource development and modernization and commercialization of agriculture for wealth creation and alleviation of poverty. However, the main constraint and handicap has so far been the lack of the requisite capital investments. The successful implementation of the Millennium Challenge Accounts, which we are signing today, therefore should go a long way to help eliminate this handicap and facilitate the realization of the envisioned agricultural transformation.

Distinguished ladies and gentlemen, the Government of Ghana with the active cooperation of the Millennium Challenge Corporation has identified specific farming projects with relevant infrastructure and credit schemes for beneficiary private farmers under the Millennium Challenge Account project for Ghana. A thorough feasibility program has been prepared for the benefit of the farmers. The government has also set up an independent authority to manage the implementation of the program for sustained success. Of course, the government retains an oversight commitment to ensure that resources are transparently and effectively deployed. With this landmark help from the United States, Ghana is determined to succeed using the concept of

the public-private partnership which the MCA represents in accelerating her wealth creation not only in the rural areas, but also throughout the economy as a whole.

Madame Secretary of State, distinguished ladies and gentlemen, the success of the implementation of this Compact should lead to an ever deepening friendship between our two nations, Ghana and the United States of America. My nation appreciates this practical humanitarian support which your government led by President Bush is extending to the people of Ghana. Ghana shall never forget. Thank you, and may God bless us all.

(Applause.)

AMBASSADOR DANILOVICH: Thank you, Mr. President. I now, at this time, like to ask Minister Nduom to join me at the signing table to officially sign the documents between the Millennium Challenge Corporation and the Government of Ghana.

(Applause.)

(The Compact was signed.)

(Applause.)

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