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CHALLENGE CORPORATION
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Transcript

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Millennium Challenge Corporation Holds a Public Outreach Meeting Forum with Resident Country Directors from Africa, Eurasia, and Central America

Speakers

Jonathan Bloom,
Deputy Vice President for Compact Implementation, Africa

Darius Mans,
Acting Chief Executive Officer

Jim McNicholas,
Resident Country Director, Georgia

Vince Ruddy,
Resident Country Director, El Salvador

Jim Bednar,
Resident Country Director, Ghana

Transcript

BLOOM: Good afternoon, ladies and gentlemen. Let me welcome you to Millennium Challenge Corporation. We really appreciate everybody coming this afternoon.

I'm Jonathan Bloom, the Deputy Vice President for Compact Implementation for Africa.

And we're very pleased that you all could join us. I think we have a good program today.

Let me caution you, as I just did, to please silence your phones.

And let me just recognize one special guest, Paul Applegarth, the first Chief Executive Officer of the Millennium Challenge Corporation. We're pleased Paul could also join us today.

Today's event is built around the annual conference of country directors and deputies. It is to give you some direct access to these country directors, to give you a chance to learn more about MCC, our operations, our successes and our challenges as we move into the middle and later stages of a number of compacts and have a full pipeline of newer ones coming along behind them.

The conference is the resident country directors and the deputy resident country directors from all of our countries, primarily to learn from each other what is working, and to bring management's attention to what needs to be addressed.

The format will be a few brief remarks from Darius Mans, the Chief Executive Officer of MCC, who unfortunately needs to leave when he finishes. We will then have a panel — I'm sorry — we will then have introductions. Ah, welcome, Ambassador. Thank you for joining us.

We will then have the introductions from the resident country directors and the deputies, so that you know who's who, following which we will have a panel presentation by three of our RCDs and brief questions following them.

And then at the end, we do have around the room regional signs — Latin America, Europe, Asia Pacific, it looks like West Africa and presumably Southern Africa over on the other side. So we will have regional clusters. The country directors will gather by those signs, if you want to ask a specific country question.

Having said that, let me introduce Darius Mans, Chief Executive Officer of the MCC.

(APPLAUSE)

MANS: Thank you, Jonathan. And thank you, everyone. It's standing room only on such a spectacular day. I want to thank you for your continuing interest in the Millennium Challenge Corporation.

We are delighted to have a full house here today. And we certainly appreciate your ongoing interest in MCC's work to accelerate growth and reduce poverty around the world.

As many of you know, President Obama recently nominated Mr. Daniel Yohannes as the next Chief Executive Officer of MCC. As a successful entrepreneur, banker and philanthropist, who grew up in one of the poorest countries of the world, Mr. Yohannes has a tremendous portfolio of experience that will certainly serve MCC very well into the future, if he is confirmed by the U.S. Senate. And we do wish him a very speedy confirmation process.

I know many of you here have been following MCC very closely over the years and know well, one of the hallmarks of MCC's model is our firm commitment to country-led development. We believe that MCC's development dollars will do the most good in the fight against poverty, if they are invested in homegrown strategies that are built within partner countries, not imposed from the outside.

For this reason, MCC's presence in each of the partner countries is extremely small, limited to just one country director, one deputy resident country director and, in some cases, a few locally recruited staff.

We are very pleased to have here today these resident country directors and their deputies from around the world to join us this week at the headquarters here in Washington. We are having a week-long session, which includes technical training, a very intensive exchange of lessons of experience about what works, what doesn't, and best practices that can feed into our action plans in supporting implementation in each of the compact countries. And I'm glad they're here this week so that they can have a conversation with you today.

Though limited in size, the duties that they all have — as I'm sure they will tell you — are very substantial. Resident country directors are responsible for managing all of MCC activities and relations in their assigned countries and overseeing compact implementation.

The RCDs also, as you know, serve as the primary point of outreach to other donors, the local and international NGO community, the press, the private sector, think tanks, universities and other organizations that are interested in the partner country's MCC program. And as appropriate, the RCDs also represent the MCC country program to the U.S. embassy, the inspector general, the Government Accountability Office, congressional staff and other oversight organizations.

In short, RCDs and deputy RCDs are extremely impressive professionals who represent MCC so ably around the world. Their proven abilities to coordinate actions, leverage resources, to forge common ground are a testament not only to their experience and expertise, but also to their deeply held conviction that we can, in fact, make a meaningful difference in the lives of the world's poor.

This afternoon's forum showcases MCC's ongoing commitment to transparency and accountability in this fight against global poverty and to keeping our stakeholders well informed as to the progress unfolding in partner countries worldwide.

Access to our resident country directors and their deputies provides tangible, first-hand insights into developments on the ground. These individuals are clearly on the front lines of development, and we want them to be valuable resources of information to you in your work, too.

I wish you all fruitful exchanges and productive conversations here this afternoon. I would remind you that the lines of communication are open not just at events like this, but all the time here at MCC. And we welcome your ongoing involvement with and feedback on the work that we're doing around the world. MCC, as you know, is constantly learning and growing and evolving, and your feedback helps us do that.

Well, with that invitation, let me turn the microphones over to our resident country directors and the deputy RCDs, so that they can very briefly introduce themselves.

Thank you.

AUDIENCE: I'm Randall Wood, the RCD for Benin, West Africa.

AUDIENCE: Cassia Pacheco, Resident Country Director, Mozambique.

AUDIENCE: Sheryl Cowan, Management Consultant, Mali.

AUDIENCE: Jon Anderson. I'm Resident Country Director in Mali.

AUDIENCE: Robert Reid, Resident Country Director in Mongolia.

AUDIENCE: Stahis Panagides, Resident Country Director, Cape Verde Islands.

AUDIENCE: Muneera Salem-Murdock, Resident Country Director, Morocco.

AUDIENCE: Gene MacDonald, Resident Country Director, Lesotho.

AUDIENCE: John Polk, Deputy Resident Country director in Honduras.

AUDIENCE: Jason Kajer, Deputy Resident Country Director, Madagascar.

AUDIENCE: Glenn Lines, Resident Country Director, Madagascar.

AUDIENCE: Chris Cookson, Resident Country Manager, Vanuatu.

AUDIENCE: Katarina Ntep, Resident Country Director in Ghana.

AUDIENCE: Oliver Pierson, Deputy Director in Namibia.

AUDIENCE: Matthew Kavanagh, Deputy, Tanzania.

AUDIENCE: Kateri Clement, Resident Country Director in Burkina Faso.

AUDIENCE: Alex Russin, Resident Country Director in Armenia.

AUDIENCE: Myron Hirniak, Deputy, Armenia.

AUDIENCE: Karl Fickenscher, Resident Country Director, Tanzania.

AUDIENCE: Tanya Southerland, Resident Country Director, Senegal.

AUDIENCE: Molly Glenn, Deputy, Burkina Faso.

AUDIENCE: Lee Roussel, Resident Country Director in Benin.

AUDIENCE: Brian Baltimore, Deputy Resident Country Director, Lesotho.

AUDIENCE: Joana Brito, Development Specialist, Cape Verde.

AUDIENCE: Good afternoon. Kenny Miller, Deputy Director in El Salvador.

AUDIENCE: Eddy Jerez, Deputy Director, Nicaragua.

AUDIENCE: Jim McNicholas, Resident Country Director of Georgia.

AUDIENCE: Jim Bednar, Director in Ghana.

AUDIENCE: Hi. Vince Ruddy, Director in El Salvador.

AUDIENCE: Steve Marma, Resident Country Director in Nicaragua.

AUDIENCE: Marina Kutateladze, Development Specialist, Georgia.

MANS: I think we have everyone. Great.

Well, please put this collective brain trust to work.

And I wish you fruitful discussions this afternoon. Thank you very much for coming.

(APPLAUSE)

BLOOM: Thank you very much, Darius, and thank you to the RCDs.

I'd now like to welcome to the podium — that means move — the three — for presentations — three of our RCDs, one from each region. On my immediate right, Jim McNicholas, the Resident Country Director in Georgia; in the middle, Vince Ruddy, the Resident Country Director in El Salvador; and on the far end, Jim Bednar, the Resident Country Director from Ghana.

They'll each do a brief presentation for just a few minutes, and then we will have questions and answers.

Jim?

MCNICHOLAS: Thank you.

Good afternoon. Jim McNicholas. I've been in Georgia for the past four years, initially as the Deputy Resident Country Director.

This week, I'm formally taking over as the Resident Country Director. As of last week, everything was going great, so we're in a good position.

(LAUGHTER)

The Georgia compact is a \$395 million compact. We're in our 42nd month of implementation out of 60 months, and we're counting the time very closely.

We've gone through — in 42 months, we've gone through a large majority of the challenges that all of our countries face in terms of designing — designing programs, designing projects, designing roads and infrastructure, et cetera — procurements, signing contracts and getting construction contractors to work. So, it's an exciting time now to be looking at a lot of construction underway in Georgia.

The compact itself is a heavy focus on infrastructure, a major road in Samskajavaheti (ph), which links Tblisi to an underdeveloped region. It also links it to Turkey and Armenia. It also focuses on the rehabilitation of a gas pipeline that provides gas to the domestic Georgian market, and water services in five major cities outside of Tblisi.

On the non-infrastructure side, it has a component focused on agricultural enterprises, which is providing both investments, loan and equity, and grants to agricultural producers.

Just by way of context there, I'd just take the next couple of minutes to talk about a theme that I think folks in this room understand well, and in Georgia it's well understood, and that's the notion of country ownership.

A lot of the focus in Washington on country ownership comes into play during the compact development process. And that features a country-led process in which, based on public participation and the identification of priorities in sectors, programs are designed by the country.

During implementation, the concept of country-led development continues, but it changes in modality. And in Georgia that has focused on a couple of key issues.

First, the program is overseen in Georgia by a supervisory board. And that board provides corporate governance for all of the investments that MCC funds. The board is composed of the prime minister and the minister of finance, who act as the chair and vice chair, a number of line ministers in each of the key sectors where the investments are being made, as well as a representative of the NGO community and a private sector.

In Georgia they take the responsibility quite seriously. They're hands-on to the degree appropriate. And they allow MCA, the accountable entity who's actually doing the day-to-day management, both enough guidance and enough room to manage the program. That's the second component of country ownership, is strong management. And in Georgia they have been able to both provide capable, strong managers, who have also been ready to learn and develop into the program.

The other aspect, though, of country ownership that's important to note is, the programs themselves utilize in country institutions as appropriate to manage the investments. And that allows for both identifying an institution that's responsible, but also individuals in those institutions who are accountable.

And so, in a sense, the term "country ownership" transfers during implementation, because, bottom line, a country isn't building a road or implementing programs. It comes down to accountable individuals and the appropriate institutions.

And it's that aspect of country ownership during implementation that is key to, I think, moving both the program forward, but also in terms of sustainability of the investment. Having the in country institutions run and manage the day-to-day operations has been a key aspect, certainly in Georgia, and I know amongst all the countries.

So, I'll leave it at that and turn it over to Vince.

RUDDY: Thank you very much, Jim.

For us, I think it's most important to get to your questions. But again, in the interest of the format, I'll give a quick background on El Salvador. Then I want to talk a little bit about one particular activity in our compact, which is the education activity. And then finally, I'll just mention a few words about opportunities for U.S. companies, for NGOs and other groups.

As a way of background, El Salvador has the largest compact in Latin America. We're at \$460 million. And we just finished our second anniversary.

It's the first MCC compact that was ever signed with a lower middle income country. And it also had the distinction of being the first MCC compact with an education component built into it.

Another first was a very recently signed public-private partnership deal, a major transaction between the MCA in El Salvador and American power giant AES, a \$33 million deal that's going to help El Salvador bring the level of electricity access from about 70 — a little bit over 70 percent — to almost 98 percent in the next three years.

One more thing by way of background, in the wake of the recent elections in El Salvador and having a new government come in, it's become very clear — and the new government has made it clear to the MCC and to our government — that the compact for them is a huge priority. It's a major feature of bilateral relations between our two countries.

They consider the \$460 million program to be their economic stimulus package, their major weapon to counteract, to do the so-called countercyclical economic stimulus that their country needs.

So, in the States we've talked about major infrastructure build-outs, et cetera. In El Salvador they look at our compact, just as we're passing our second year and ramping up into major implementation phase. Our program is one of the biggest and, if (ph) not (ph), one of the unique programs that they have to do that.

So, that importance, the role that it's playing for the new government to manage this crisis, elevates our importance. And it's, I think, directly influencing in a positive way the bilateral relations between our two countries. And in this time, and especially in our region, I think we can all appreciate how important and significant that was.

I know that Secretary Clinton appreciated it when she visited us earlier this year in June. She came down for the presidential inauguration ceremony and had a chance to see some of our projects down there.

I want to turn to the education topic. Again, it was the first compact that had an education component built in.

Right now where we are with education is, we are rehabilitating 20 middle technical schools throughout the northern zone. The program is currently training about 500 teachers for these middle technical schools. We've already awarded over 400 scholarships, and there's about 1,300 additional scholarships on the way this year.

I've already mentioned the public-private partnership deal that's in the same region.

Interesting to note that the AES firm sees this project not just as a profitable thing, but as a major investment in their corporate social responsibility effort. So, I think we're seeing a lot more of that, and MCC has certainly been

interested in teaming up with and leveraging with companies, NGOs, foundations, universities that are looking for not just making money, but also investing in the corporate social responsibility theme.

Finally, just to talk about some opportunities for U.S. firms and NGOs. I'll start by just stating some of the ones we've already signed. I mentioned the AES deal.

In our productive development component, we got off to a very quick start with a bunch of pilot projects. And the pilots were started by a large number of local and also international NGOs, universities. We had CARE, TechnoServe, we had World Vision, we had KATIA (ph) down in Costa Rica. I'm not sure if I'm mentioning them all. I think the IICA (ph) agricultural institute is also involved with one of our pilot activities.

American firm Chemonics was awarded the largest contract in the productive development area. I think it was — I don't know the exact amount, but it was a very, very large and significant contract.

Wilbur Smith, an engineering contracting firm, has been awarded a major contract for construction project management and construction supervision. And that was after another firm, another American firm, Parsons Brinckerhoff, was awarded a prelude contract, actually financed by the government of El Salvador itself, to do feasibility, design and environmental impact assessments.

That's just some of the bigger, more well-known names out there, just to give you an idea.

But bear in mind that all of these contracts emerged out of the full and open international competition. These firms have found that they can be quite competitive, both locally and regionally in these markets.

So, for all of you presenting local or international firms and NGOs, the signs are very clear, at least in our case, that there's a lot of opportunities.

We've only committed \$178 million in the first two years, so there's still quite a bit of funds out there that will be bid out. We've disbursed, I think it's, in the first two years, about \$49 million, just over 11 percent of the overall compact funds. But we are ramping up.

That's about it for El Salvador. Looking forward to your questions.

And I'll now pass it to my colleague, Jim Bednar from Ghana.

BEDNAR: Thank you.

I'll try to be brief, as well.

But I'm really excited about Ghana, and I have been excited about Africa for the last 20-odd years. So, I'll try to curb my enthusiasm a bit.

Ghana, it's a \$547 million compact. We have 28 months left to go. By the end of this fiscal year, we'll probably have about 80 percent of our funds committed, and about 45 percent disbursed.

What is exciting now is, I think we have a lot to show on the ground. And I'd like to focus on how the program is an integrated program, really touching on the entire value chain in the agriculture. And in that sense, all the parts combine to make a whole. And there's a continuity that I think is very important.

And then also, it's not just strengthening the value chain, but, obviously, strengthening the food security of Ghana, which, of course, seems to becoming a key word around town.

We'll start with the farmers, the training of the farmers to start thinking like entrepreneurs. And we're talking about both subsistence farmers and the cash farmers.

And so far, we've trained 51,000 farmers. Our goal is 60,000, and we're going to pass that easily in the next two years. We use local NGOs to do the training, so there's some sustainability in that.

There's — 30 percent of those farmers are women. And the next step is access to capital. And it's not just straight credit. We are working with the banks; \$20 million has gone out in credit.

But we also are doing what we call starter packs, which are basically the inputs for enough seed, fertilizer, et cetera, for doing an additional hectare of planting. But what's exciting about the startup packs, the groups are using them, and they're really seeing them as capital.

And the farmer-based organizations are, just to give you an example, there were some cassava, plantain growers that decided they wanted to experiment with chili instead. And they had four export companies that expressed an interest, perhaps, in buying those chili crops. At the time of harvest, two of them showed up, and they started competing on the price. And the farmers, there on the ground, got 17 percent higher than the original price, because of that competition.

I think that's really, to me, a success both in terms of getting them into a new market, and already getting a higher return than they would have gotten if they had just been on the side of the road, hoping for the next truck to pick up their crops.

We go on to worrying about land ownership. We have a pilot that, just this month, we gave out the first rural land title registrations to 103 farmers. And we'll go, continue to expand the numbers. Of those 103, 29 were women. Again, I think a really exciting part of the program as a pilot that the government is definitely interested in, as well as the World Bank, in terms of expanding on our pilot.

Then there's the infrastructure side: the irrigation schemes that we're working on, the pre-coolers for the pineapple growers, the pack houses, the feeder roads, the trunk roads. There's one little 14-kilometer highway that we're trying to do. That happens to be the bottleneck for getting everything to port and to airport. And there's a pack house at the airport that we're working on.

But that whole chain, all of it integrated, is going to make the program really transformational. And I've been doing this for a long time, and I really have bought into this. I really do think that, when we are done — and we will be finished and deliver in five years — we will have made an impact on agriculture in Ghana that is really transformational.

How you measure that success, just to wrap up, is the interest of the private sector. In the last month, we've had the first shipment, test shipment of pineapples by a major multinational fruit exporter to Europe, based on some of our investments. And there are other investors knocking on the door, interested in building on our investment. And other donors, as well as the government, are seeing that there are opportunities from our model to expand on.

It really is exciting to see this impact. I think it's sustainable impact, and it's in such a short time.

And I'll stop at that.

BLOOM: Let me thank the panel for the presentations.

We will now welcome questions. Do we have traveling mikes? Thank you.

We would ask you to tell us who you are and where you're from. And if you would, please speak clearly, because we are recording this for presentation on the Web site.

The first question back over here.

QUESTION: Thank you. My name is Mihir Desai. I'm from Dexis.

We're a small business. We focus primarily on economic development, local economic development projects, funded by the World Bank and USAID. Certainly interested in MCC.

My question is, what efforts are MCC making to include American small businesses in the type of projects that are currently the domain of both the local firms, but also a lot of the large American firms? How can you include more U.S. small businesses in the equation?

BLOOM: Let me maybe frame this with two general comments, and then, if you guys want to talk about some specifics.

The first thing that's critical to understand is that there are procurements that are done by MCC, where we contract with firms for due diligence, for evaluation, for supervision, independent engineering services, and so on. That's the smaller piece of it.

The very much larger piece of it are contracts and procurements carried out by M.C. Georgia, MCA El Salvador, the Millennium Development Authority in Ghana. That is the vastly larger piece. And those are done under rules that are set out as part of the compact development process.

So, that's the first thing. So, I think probably the most useful thing would be to address the MCA procurements.

The second comment I would make is, there is an active outreach effort motivated or driven in part from Washington. For example, we did a procurement outreach event the week before last at the Corporate Council for Africa event that was a detailed presentation of how these different procurements work, what some of the systems are. That is also done regionally in cooperating with a number of the in country units. We did one in Johannesburg. We did — well, we've done them in a number of places now.

So, with that background, I don't know which of you would like to elaborate on any particular outreach.

RUDDY: I'll give it a quick try, because I know this gentleman. We used to be colleagues together at a consulting firm.

Congratulations, by the way, Mihir, on your firm's success.

I think that the MCC and the MCAs have been trying to do a lot to promote opportunities for procurement for involvement and participation. But it may look or smell differently than what you're used to from other agencies.

We encourage all firms to follow the procurement opportunities on each and every MCA Web site. They're typically listed — there's a lot of emphasis on transparency and getting that information out to the public.

They require that all upcoming procurements in the next six months or more be published in advance, so that firms can prepare themselves and know what's on the horizon. So, these procurement, general procurement notices, as they're referred to, published — and D.G. Marketplace published in U.N. Development Business, published in a number of other outlets — is a good way to sort of on your radar screen found out what's out there, and then start sniffing down the opportunities.

At this stage — I said it earlier — it's for an open competition. It's international. And U.S. firms — not only just large ones, but also small ones — are finding good opportunities.

I mentioned the education area. In fact, that was a Canadian, a smaller Canadian outfit that won a technical assistance contract on that. One of our NAFTA partners is actually helping us down in El Salvador.

So, follow it and track it and look for it. Position yourself. I think some smaller groups have teamed up with larger firms for certain types of contracts, but in others it's not necessary.

So, I mean, we're a new entity. We have different approaches. But it's very similar, if you're used to working with the World Bank — a lot of emphasis on host country contracting or host country emphasis.

I don't know if my colleagues have anything else to add.

BLOOM: The only thing I'd just like to stress, one of my colleagues reminded me that Vince referred to D.G. Marketplace and — I forget the other one — the UNDB, the U.N. Development Business — it's also from the MCC Web site. These are all linked, both to the international sources and to most of the individual country Web sites.

Do you have another question? Let me look around over here, please.

QUESTION: Hi. Robert Krause with Quatrex Energy International.

I find the AES power component in El Salvador particularly refreshing. My question is, do any of the compacts have components, or plans for components, focused on bringing private investment into the countries for bio energy or other renewable energy projects?

BLOOM: Well, the answer is "yes."

But what I'd like to ask you to do is to talk — Karl, would you raise your hand? Karl Fickenscher, who is our resident country in Tanzania, can talk to you, I think, during the regional breakout about specifically what we're doing in Tanzania. Dick Day, who is our managing director in compact development, could talk to you about some of the possible opportunities in Malawi.

But more generally, I would say that there are efforts, as Vince was saying. The AES partnership came about during the implementation of the compact. It was an opportunity that was developed, I think, within the framework of the original compact, that we pursued as a private-public partnership.

So, I think there are opportunities at the very early stages in formulation, in the early stages of implementation and, I think, even in the later stages of implementation.

RUDDY: Just quickly, I mentioned the AES deal, because it's big. But there's another one that might be of interest to you and others, which is a large activity on solar panels. Over 900 solar panels are being installed in remote rural areas in the northern zone of El Salvador — another renewable energy component of our compact, which is very consistent, I think, especially with the current administration's emphasis on those types of technologies.

So, I can't speak of the pipeline. I think my other colleagues are better suited to answer that question.

BLOOM: Is there anything in the community — OK.

Do you want to ask a question? OK. Ah. OK, Gene MacDonald, Lesotho. So, you'll be a busy guy.

QUESTION: One of the opportunities here is, if we can bring U.S. technology to these marketplaces, ExIm Bank can get into the game, and so can OPEC.

BLOOM: Yes.

Is there a question up over here?

QUESTION: My name's Anthony Hattie. I'm a construction contractor. We're about an \$80 million to \$100 million annual in revenues. And we're very interested in MCC contracts.

One barrier to entry that we're finding, however, is that, unlike in U.S. contracts that require 100 percent performance bonds from a surety, MCC contracts, from what I can tell from Ghana, El Salvador and Tanzania, require a 10 percent letter of credit.

So, essentially, what you're asking us to do is park several million dollars in a local bank in, say, El Salvador, with the beneficiary being your MCA. And that letter of credit is irrevocable.

So, the barrier we're finding is that our sureties here in the United States are reluctant to provide us performance bonds for work in the United States, because of our exposure — our perceived exposure — in, say, El Salvador. Because that — see, in your case, FOMILENIO can take that bond, that letter of credit, go right to the local bank, cash it in, and we have absolutely no recourse.

So, what we would like to do is give assurances to our sureties here that that won't happen, and that we have your support or your assurance that you won't let, say, in this case, FOMILENIO or MIDA (ph), just go ahead and cash in those LCs. And that would be my general question.

BLOOM: And this frankly — I'm not familiar with it. Any of you guys?

I saw Jean-Marie hiding in the background. Is that something you'd — do you feel comfortable — or would you rather take it offline?

AUDIENCE: Yes.

BLOOM: OK.

(LAUGHTER)

BLOOM: Let me — no, no. That's fine. Jean-Marie Meyer, who is a...

AUDIENCE: (inaudible) really want to participate...

BLOOM: No, I — it's Jean-Marie Meyer, who is our practice leader for procurement, who I think would be the best one.

AUDIENCE: The letter of credit requirements are the same in both Ghana, El Salvador and Tanzania.

BLOOM: Well, we try for consistency, to make it easier.

I think we have time for at least one more question in the back here, please.

QUESTION: Hi. It's not so much a question as it is a response to him.

My name is Sam Smooth (ph). I used to be director for Africa at OPEC. And you can get political risk insurance for that particular situation.

(LAUGHTER)

BLOOM: I knew it was a business development opportunity.

Let's take one more over here, because it looks like — you know what? The first one you come to.

(LAUGHTER)

QUESTION: My name is Alkobai Yaboa (ph). I'm from Nature I.T. Solutions. My question is specific (ph) to Ghana.

I would like the gentleman to state what actually have they put in place for environmental — to monitor the impact of this program on the environment? Because in Ghana, a lot of programs, mining, and you are destroying the environment in Ghana. What have you put in place to monitor the environmental impact of your programs, so that...

BEDNAR: Thank you for the question.

I think we put a lot in, actually, in place. One, of course, we did the FCA (ph) since (ph) the beginning. But for an example, on the highway — well, first of all, RIDA (ph), the organization that's doing the implementation, (inaudible) development party, has on its staff an environmental organization. They also have a contractor that has environmental responsibilities.

But specifically on the highway construction, for example, I think we've been pretty tough. And in fact, there's been some, like, "Gee, why are you so tough?" comments. And because other contractors on other roads don't have as much oversight as we're doing.

And I can tell you, even myself, I go out and drive every Saturday on that road and see that there's not some things that shouldn't be going on.

On the other projects, we're building some schools. We've also looked at that in terms of the environmental impacts.

I think, overall, our efforts are pretty solid on the environmental side. But we have to keep our diligence up, for sure.

BLOOM: Many have used the podium to — let's take these two last questions, and then...

QUESTION: Racquel Gomes with Oxfam America. I've got a question not about contracts, but about vision.

Now that you have Cape Verde and other countries close to graduation, what is the vision? What does the compact look like five- plus years?

Thank you.

BLOOM: When you say "graduation," meaning when — that Cape Verde is close to completing its compact.

QUESTION: We talk about a five-year compact.

BLOOM: Right.

QUESTION: What happens after five years? We've had such amazing (ph) investments. How do we build on those investments?

BLOOM: Right.

Well, let me distinguish that into two areas. One is the completion of the activities and the evaluation and the assessment of the results. I don't know if you want to say a few words about those efforts going on.

The second one is, what is the follow-on activity? I'm not sure if the question is really that second compact? Or...

QUESTION: Yes. Pardon me. We've had — the MCC has built such amazing investments across these countries. And when you talk about ownership, you built the MCA. You built the — in some cases, this whole mentality about getting countries to do something beyond the compact, with implementation.

Five years comes after that, Congress — I don't know, in terms of the pressure that I imagine — you're done. We're not done. We're just starting.

So, question is, how does the — what is the MCC vision for how the U.S. government can continue building on the investments the MCC has already done over five, six, whatever years in whatever country?

BLOOM: OK. Let me just say generally that, then, you know — sort of — again, I think we can talk about it at the great.

The notion is that sort of MCC is not the only tool. So, I think it's a relevant question. What are the other tools in the portfolio of the U.S. government — and for that matter, other donors, as well?

And it is absolutely correct, that one of the aspects that we try to build into compacts is the sustainability. A couple of the panelists mentioned how we build that, so that they are sustainable, they do carry on.

And the notion is that, ultimately — I can't remember the quote exactly from President Obama — but the notion is that countries succeed to the point where they no longer need this assistance.

The question is, sort of, are there follow-on MCC investments? And in some countries there will be, and some other countries there will not be. And that's something the board will have to grapple with as we begin to see some of these compacts mature. But it is clearly the notion that MCC is the beginning.

To go back to the question about sort of what are we doing to incentivize the private sector. Ultimately, that's the engine of growth and success. So, I would measure part of the — one of the measures of our success is, to what extent do we, in fact, incentivize and produce those investments from local businesses and international businesses?

And for the very last question?

QUESTION: Hi. My name is (inaudible). I'm from IBI International. We're a small woman-owned business that does a lot of work in gender, which brings me to my question and exactly what provisions you guys have in your compact for gender?

I feel — we feel like a lot of times gender is not always the priority. And I want to know exactly what you guys have in your compact for gender.

BLOOM: Why don't you guys go down the row and...

BEDNAR: Well, I gave you a few statistics as I was going through it. It's not a gender on a shelf. It's a gender that's integrated in the program.

So, we are very aware of the importance of it, and continue to make sure that it's very much high on our — any activity, how it is integrated into the program.

But we also have overall, I think MCC, that's the gender policy that we apply.

RUDDY: I would just add to what Jim said. I mean, maybe we can start making a specific reference to the education component, which I mentioned earlier.

When we did due diligence, when we reviewed the government of El Salvador's proposal to do a major investment in education, we came to a conclusion that the characteristics of the northern zone, the unequal access to educational opportunities, the different factors that influence how young women can get access to educational opportunities — we determined that it was going to be very important to include a gender diagnostic as part of our overall program design.

And since they have not done it — I mean, we didn't want to tell them, "Wait," or "Cancel the program until you come back with something else." We said, "OK. We'll approve the \$28 million investment in education. But as a condition precedent, before we disburse any money that has to do with implementing the education program, we'd like you to do a gender diagnostic."

And the technical assistance provider that worked with the Ministry of Education and other entities with the MCA, undertook a quite comprehensive, a very useful study in that regard. And it has directly influenced the final design that has come out. And I think it's very positive.

We're starting to see the results now in terms of the large number of young ladies that are participating in the scholarship programs, the design of the curriculum to make sure that it's appropriate for females. So, that's just one example.

But it is applied, because of our gender policy. The MCC gender policy was actually developed and instituted just as we were starting up. And the MCC made a great effort to make sure that, you know, almost like as a pilot, that El Salvador would really embrace this and try it out. And it's — so far, I think it's working pretty well.

MCNICHOLAS: Thanks. In Georgia, it's fair to say the original compact design was not designed in a transformational way in this area.

That being said, it focuses heavily on infrastructure and on enterprise development in the regions.

On the enterprise development, I think what's important for us to look at — and it's underway in terms of both the baseline data collection and the current collection of data in terms of both beneficiaries and actual increasing of revenues to household level — the evaluation of the program.

So, I think in the evaluation, while it didn't have specific design functions for gender differences in Georgia, I think the evaluation will be able to have very interesting things to say about how the program as it was designed impacted women entrepreneurs and impacted within the household in terms of increased revenues.

BLOOM: And if I can just actually pull together two aspects. I think the critical part that was alluded to is that women and other sometimes marginalized groups are included early on in the control (ph) (inaudible) process, in formulating the proposal, generally in the later compact, are included in the design of the component are then — that is then monitored during execution to understand how that is actually rolling out in practice, and will be evaluated afterwards.

And including those — if I can conflate both the question about gender and the question about environment — these are not sort of tack-on policies. You know, oh, by the way, now that we have a project, we ought to worry about gender, we ought to worry about environmental or social impacts. They are integral throughout the process. And that's very intentional.

Let me thank the panel. And thank you for some very stimulating questions. Thank you very much for coming and for those questions.

And let me again invite you to join the RCDs, who will migrate quickly — Europe, Asia Pacific, Latin America, West Africa and Eastern and Southern Africa.

Thank you again very much. We appreciate your coming.

(APPLAUSE)

END