Millennium Challenge Corporation

Statement for the Record by Deputy CEO Rodney Bent

Before the U.S. House of Representatives

Committee on Foreign Affairs

Subcommittee on Asia, the Pacific, and the Global Environment

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MILLENNIUM CHALLENGE CORPORATION ★ UNITED STATES OF AMERICA ★ MCC

List of Exhibits

Introduction

Chairman Faleomavaega, Ranking Member Manzullo, Members of the Subcommittee, thank you for your interest in the Millennium Challenge Corporation's work in Vanuatu.

MCC Model

As a new and innovative approach to development assistance, the Millennium Challenge Corporation is committed to helping countries help themselves reduce poverty through economic growth. MCC does not partner with all poor countries, only those that are ready to engage with us and that are

- willing to take on the often difficult work of political, economic, and social policy reforms,
- willing to build their capacity to lead their own sustainable development, and
- willing to deliver results where they matter most—in the lives of the poor.

We award grants—not loans—through a streamlined process that applies core principles essential for making the most effective use of development assistance.

- **Selection Process:** ***First, good policies matter.*** To ensure that our assistance benefits the poor, we select countries that rule justly, invest in the health and education of their people, and promote economic freedom. Objective indicators of policy performance determine which countries qualify for MCC assistance.
- **Compact Development Process:** ***Second, country ownership is required.*** MCC expects countries to command and lead their development process, from designing a proposal for funding based on consultations with all segments of their civil society, to building the capacity to implement it.
- **Implementation Process:** ***Third, tangible results are expected.*** MCC and recipient countries together develop progress benchmarks and detailed monitoring and evaluation plans to track the impact of our investments at every stage, and to ensure accountability for results.

To date, the MCC model built on ***policy performance***, ***country ownership***, and ***tangible results*** has achieved 13 compacts totaling nearly $3.9 billion with poor countries around the world.

Exhibit 2: Vanuatu Indicator Scorecard

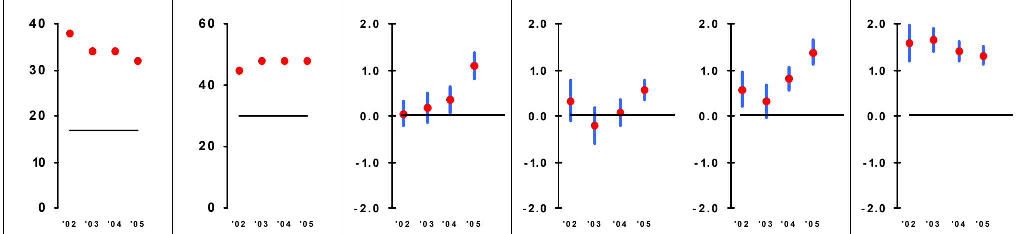
Millennium Challenge Corporation

Vanuatu FY07

Population: 207,331
GNI/Cap: $1,600 LIC

Ruling Justly

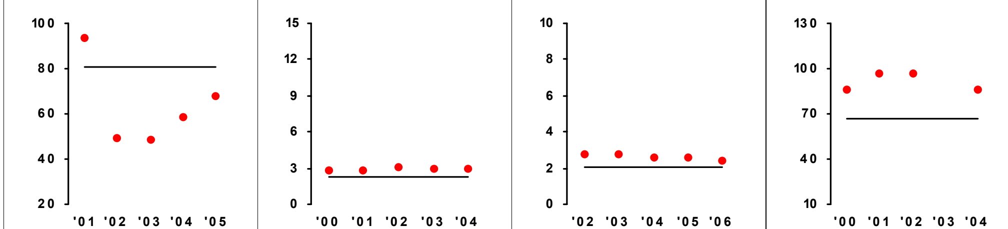
Political Rights	Civil Liberties	Control of Corruption	Government Effectiveness	Rule of Law	Voice and Accountability
Data 32 (92%)	48 (96%)	1.08 (99%)	0.57 (87%)	1.37 (99%)	1.31 (99%)
Median 17	Median 30	Median 0.00	Median 0.00	Median 0.00	Median 0.00



Sources: Freedom House	Freedom House	World Bank Institute	World Bank Institute	World Bank Institute	World Bank Institute

Investing In People

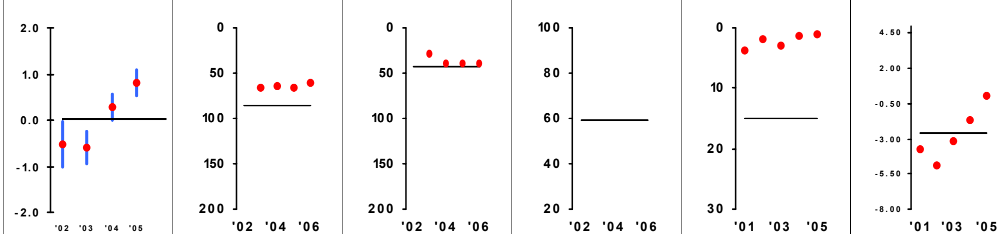
Immunization Rates	Health Expenditures	Primary Education Expenditures	Girls' Primary Education Completion Rate
Data 68 (24%)	2.91 (71%)	2.43 (62%)	86.2 (69%)
Median 81	Median 2.22	Median 2.07%	Median 66.7



Sources: World Health Org.	World Health Org.	UNESCO/National Sources	UNESCO/World Bank

Economic Freedom

Regulatory Quality	Cost Of Starting A Business	Days To Start A Business	Trade Policy	Inflation	Fiscal Policy
Data 0.81 (99%)	61.3 (63%)	39 (58%)	n/a	1.00 (96%)	0.07% (81%)
Median 0.00	Median 85.7	Median 43	Median 59.1	Max. 15	Median -2.54%



Sources: World Bank Inst.	Intl. Finance Corp.	Intl. Finance Corp.	Heritage Foundation	Intl. Monetary Fund	National Sources

How to Read this Scorecard: Each MCC Candidate Country receives a scorecard annually assessing performance in 3 policy categories: Ruling Justly, Investing in People, and Economic Freedom. For each indicator box (from top to bottom): the name of the indicator or policy, the country's data, or score, indicated by a green or red line representing a passing or failing score. Next to the score, is the country's percentile ranking in its respective Low Income or Lower Middle Income group (0% is worst; 50% is the median; 100% is best). Under the score/ranking, is the median score for the respective income group, above which countries have to score in order to pass the indicator. The white box represents a trend line of performance with each red dot assigned to a score on the vertical axis and the year on the horizontal access. The black line running through the dots represents the current year's median. Data sources are below the box.

For more information regarding the Millennium Challenge Account Selection Process and these indicators, please consult MCC's website: www.mcc.gov

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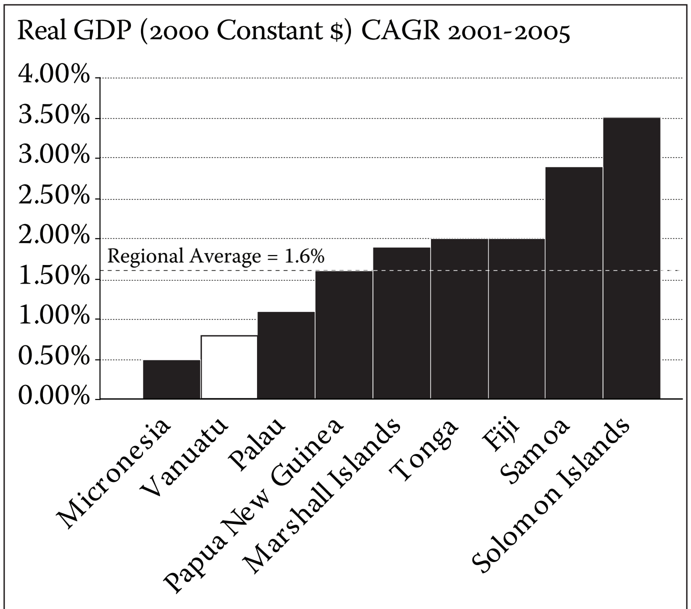
One of these 13 compacts is with the South Pacific island nation of Vanuatu. Relative to its neighbors, Vanuatu is among the poorest. As summarized by its scorecard, Vanuatu qualified for MCC assistance by passing all but two of the political, social, and economic indicators we use to determine eligibility. Vanuatu seized on its eligibility status, engaged in a broad-based consultative process, and, as a result, developed a proposal for MCC funding to overcome its barriers to poverty reduction and economic growth.

Exhibit 1: Vanuatu's Growth Rate Has Been Low

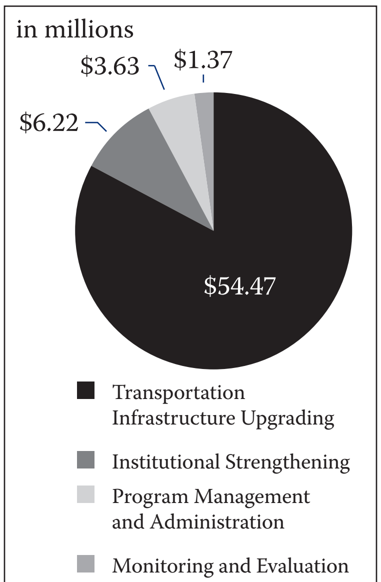


Source: World Bank Development Indicators (2007)

MCC-Vanuatu Compact

The Millennium Challenge Corporation formally notified the U.S. Congress of the start of compact negotiations with Vanuatu on July 22, 2005, and MCC's Board of Directors approved a five-year $65.69 million compact with Vanuatu on January 3, 2006. Approximately half of Vanuatu's citizens—200,000—live in poverty, and in the provinces where MCC will be working, about 52 percent of the population lives below $2 a day.[1]

Exhibit 3: MCC-Vanuatu Compact Components



Comprised of 83 islands, Vanuatu identified its costly and unreliable transportation infrastructure as a major impediment to poverty reduction and economic growth. To overcome this constraint, the Vanuatu compact consists of eleven infrastructure projects—including roads, wharves, an airstrip, and warehouses—that will help poor, rural agricultural producers and providers of tourist-related goods and services by reducing transportation costs and improving the reliability of access to transportation services. As a small, open, island economy, agriculture and tourism are central to Vanuatu's growth. These two sectors together employ more than 70 percent of Vanuatu's working population and represent approximately 34 percent of Vanuatu's GDP. The eleven infrastructure projects will allow smallholder farmers to get their produce to market with less damage and in larger quantities to command higher prices. Visitors will be able to reach potential tourist sites more easily, increasing demand for their access and creating business opportunities to provide transport services and tourism activities.

1 Income distribution is also highly unequal compared to most developing countries. The Gini coefficient, a measure of income distribution in a population, is estimated at 0.56 for Vanuatu or 111th in a list of 124 countries ranked by income equality (0 = total equality and 1 = total inequality), according to the United Nations and independent estimates.

The compact also includes an institutional strengthening component and policy reform initiatives within Vanuatu's Public Works Department to ensure the sustainable operation and maintenance of the country's entire transport infrastructure network, not only those assets built or rehabilitated with MCC funds.

Response to the Government Accountability Office's Report on the MCC-Vanuatu Compact

Overview

The same accountability and transparency the Millennium Challenge Corporation expects of our partner countries, we expect of ourselves. Therefore, we welcome the United States Government Accountability Office's ("GAO") diligent and thorough oversight of the Vanuatu compact, resulting in an audit report to the Chairman of the *House of Representatives Committee on Foreign Affairs*. Through mutual cooperation and open exchange, we are able to highlight areas of agreement and discuss points of difference. Both MCC and GAO agree that the Vanuatu compact will assist the ni-Vanuatu to overcome their constraints to poverty reduction through economic growth, benefiting the poor and positively transforming the economy. What is at issue is the degree of benefit.

Specific language used by MCC to document the expected impact of the Vanuatu compact led GAO to interpret our results in ways that do not fully capture our analysis. MCC designed its analysis to be conservative and not to overstate the benefits. We maintain that the key statements GAO called into question are factually correct, but we will strive to avoid any ambiguity in official language in future documentation to avoid similar misinterpretations.

We have a fiduciary responsibility to the American taxpayer to make sure that our investments in partner countries deliver results and generate impact. Also, our recipient partner countries demand no less. In the case of Vanuatu, *"The Transport Infrastructure Project is expected to have a transformational impact on Vanuatu's economic development, increasing average income per capita (in real terms) by approximately $200 or 15 percent of current income per capita by 2010."* Allow me to review the analysis leading to MCC's impact calculations overall and in Vanuatu in particular.

Methodology

To estimate the likely impact of MCC-financed investments, MCC uses *micro-economic growth analysis*. This methodology estimates the expected increases in either value-added or incomes of individuals, firms, or sectors of the economy.

Every project proposed by countries is subjected to a cost-benefit analysis that weighs spending on the program against future expected increases in value-added or incomes. In essence, this "economic rate of return" ("ERR") analysis tells us how far each of our investment dollars will go in delivering growth-enhancing benefits to the country—that is, their "bang for the buck." ERRs can be used to compare different types of projects with one another, and we require MCC-funded projects to attain a sufficiently high expected ERR to justify our investments.

ERR analysis begins by laying out all costs associated with the project over the five years of the compact, incorporating any costs borne by others over the compact period and the ensuing 15 years. Then, each benefit stream is quantified over the same 20-year period. For each year, total costs are subtracted from total benefits to create a stream of net benefits. Since costs exceed benefits in the initial years, but benefits exceed costs later in time, the question is whether the positive net benefits received later will justify the up-front costs. When derived from this net benefit stream, the ERR is similar to an interest rate received on the investment, only it is measured in benefits to the ni-Vanuatu.

Based on this methodology, the ERR for all combined projects in the Vanuatu compact was estimated at 24.2 percent. A different but related measure of the expected impact of the Vanuatu compact is the net present value ("NPV"), which calculates the value today of all quantified net benefits occurring over the analytical time frame. The present value of the benefit streams from the Vanuatu compact, evaluated at a 10 percent discount rate, is $123.5 million which, when reduced by the compact cost of $65.7 million, indicates a quite substantial NPV of approximately $60 million.

Given our mandate to reduce poverty, it is equally important to understand who will benefit. Beneficiary analysis is a natural extension of ERR analysis and estimates the distribution of benefits across different types of individuals, firms, or economic sectors. While this analysis is most commonly used to measure the expected impact of projects on the poor, it can have broader applicability to determine the impact on other populations of interest, such as women, the aged, children, and regional or ethnic subpopulations.

Vanuatu's ERR Analysis and Beneficiary Analysis

ERR Analysis: To prepare the ERR analysis for the Vanuatu compact, MCC subjected each of the 26 projects proposed to us to a cost-benefit analysis. Of these projects, we declined to finance 15 on the grounds that either the projects did not produce sufficient benefits relative to their costs or were technically infeasible. An initial litmus test is to understand from the country how the proposed projects fit into an overall growth strategy. In the case of Vanuatu, the requested roads and wharves help to interconnect households with markets and business opportunities that are currently beyond their grasp. Farmers can now get products to market before spoilage occurs, individuals can commute to jobs in urban areas, and tourists can access regions that were previously remote, allowing for enterprises in those areas to earn more from providing tourist services. We determined the types of activities likely fostered by each specific road or wharf. Not all roads lead through areas likely to attract tourists. Not all wharves provide the same opportunities to export certain types of agricultural products, such as copra, or livestock.

Thus, the list of expected benefits—and beneficiaries—varies by project. Some examples of specific benefits include:

- increased revenues from tourism,
- reduced wastage of agricultural goods that spoil in transit,
- time savings that can, in part, be used productively when transit times can be reduced,
- reduced vehicle operating costs and benefits to transport providers, and
- increased production of crops and fish in response to improved market opportunities.

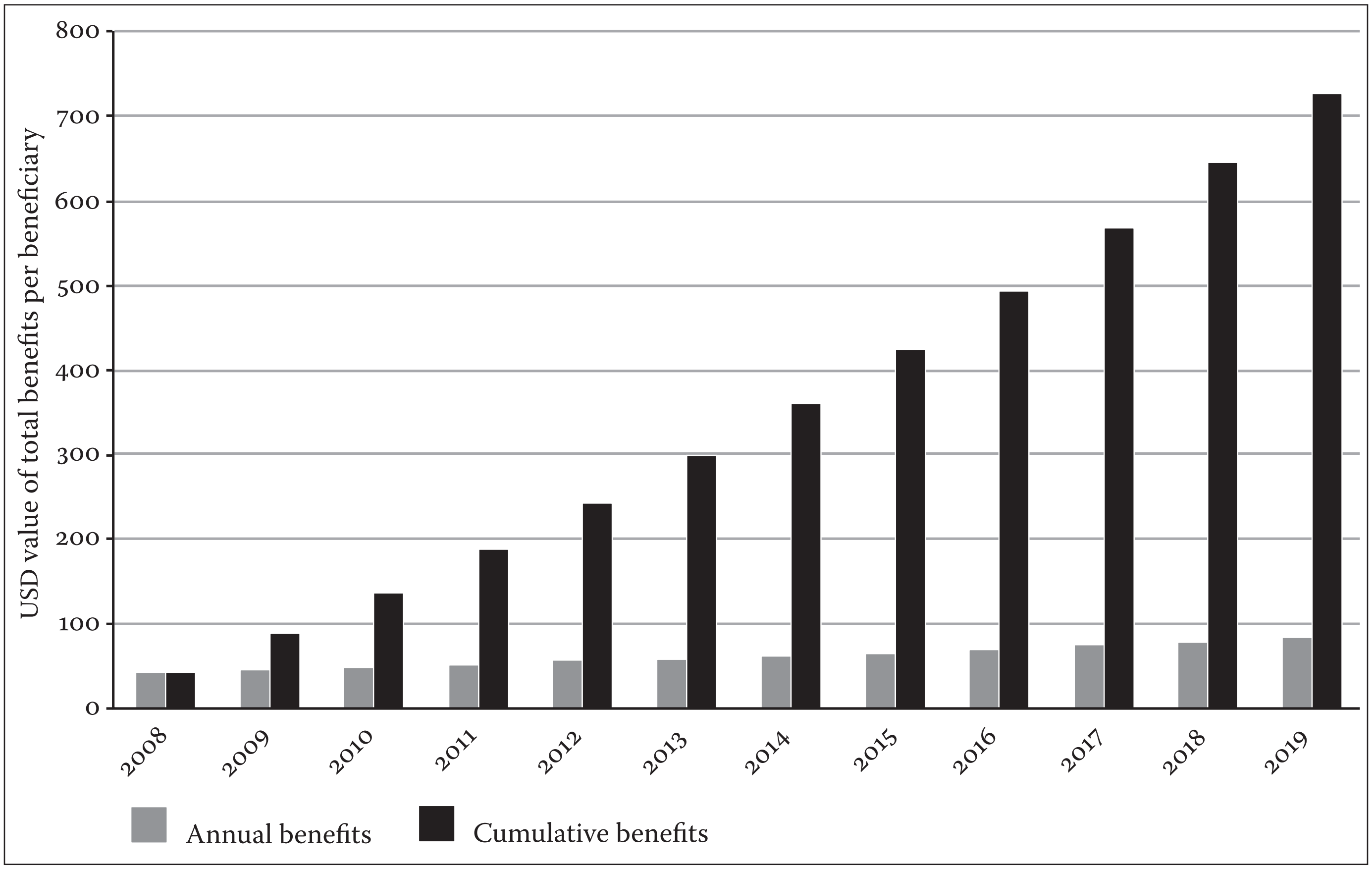
The selection of which types of benefits accrued to which project was determined by site visits, extensive local consultations, and thorough investigation. MCC staff spent more than 100 days in the field during compact preparation, supported by 10 months of international and local consultants and using previous infrastructure studies that reflected at least an additional 30 months of analysis by international and local experts in the field.

MCC then quantified the benefits by comparing "with" and "without project" scenarios over the next 20 years. The expected incremental benefits from the projects were summed and set against the costs to determine the ERR discussed above.

MCC analyzed each of the 11 selected projects in Vanuatu in this way—each with its own carefully considered set of benefits—to produce individual ERRs for each project. It is on the basis of the estimated increased incomes in this exercise that we determined the impact on the overall economic growth rate as well as the distribution of the benefits among different groups.

Beneficiary Analysis: MCC not only quantifies what the benefits of projects will be, but also who will share in those benefits. In the case of Vanuatu, MCC's extensive due diligence to determine beneficiaries included several steps. First, MCC used detailed population data from the Vanuatu National Statistics Office to overlay proposed infrastructure projects onto detailed maps of communities. This allowed MCC to determine the communities, and their populations, within a reasonable area of influence of the projects. In addition, we used data from the national Household Income and Expenditure Survey to determine the characteristics of that beneficiary population, including poverty rates, working population, and other traits. Finally, MCC's substantial fieldwork also included site checks of the statistical information, to ensure that the beneficiary analysis matched realities on the ground. On this basis, we could include in the beneficiary population people who lived longer distances from projects, but whose farms were located near the road, as well as populations on some islands more distant from the project, but who would still depend on a project site as their nearest transport option to reach Vanuatu's few urban areas and services.

Exhibit 4: Total Benefits Per Beneficiary



Sensitivity Analysis: When undertaking the analyses described above, MCC recognizes the presence of uncertainty and risk. The values that we include as assumptions may be uncertain, and there is a risk that forecasted values for items such as construction costs may change. To quote what Yogi Berra may have said, "It is tough to make predictions, especially about the future." In order to address this uncertainty in the Vanuatu ERR analysis, MCC took two approaches.

The first calculates the ERRs for each project for four variations beyond the baseline case. These are:

- the case in which costs are 20 percent above the contingency-inclusive costs used in the baseline case,
- the case in which benefits are 20 percent lower than in the baseline case,
- the best case scenario in which costs are down by 10 percent and benefits up by 10 percent, and
- the worst case scenario in which costs are higher by 20 percent, benefits are lower by 20 percent.

These alternative ERRs can then be compared to see how sensitive the returns are to different possibilities. In the worst case scenario described above, the calculated ERR of 13.4 percent still exceeded the hurdle rate, giving us comfort that the project would still deliver sufficient benefits.

A second method MCC employed in the Vanuatu analysis was to select a likely probability distribution for each benefit stream. Using these probability distributions, MCC can generate alternative values for the benefit streams that, weighted by their probabilities, can deliver ERRs that better take into account the risks that we believe exist.

Explanation of MCC and GAO Differences

GAO released an audit report stating that MCC overestimated compact impacts in Vanuatu, although, with some exceptions, GAO mainly agrees with MCC's underlying analysis. We believe GAO treated its analysis of MCC's data more like a financial audit in which proof was sought that the poor would benefit in a guaranteed fashion. We believe that this approach is not suitable to evaluating the nature of our work. Rather, we carefully estimate the likely effects of our investments, based on economically sound analysis, professional judgment, field experience, and decades of development evaluations that demonstrate the positive impacts on the poor of improved transport infrastructure. We believe that the poor respond to economic incentives, and we do our best to estimate those responses.

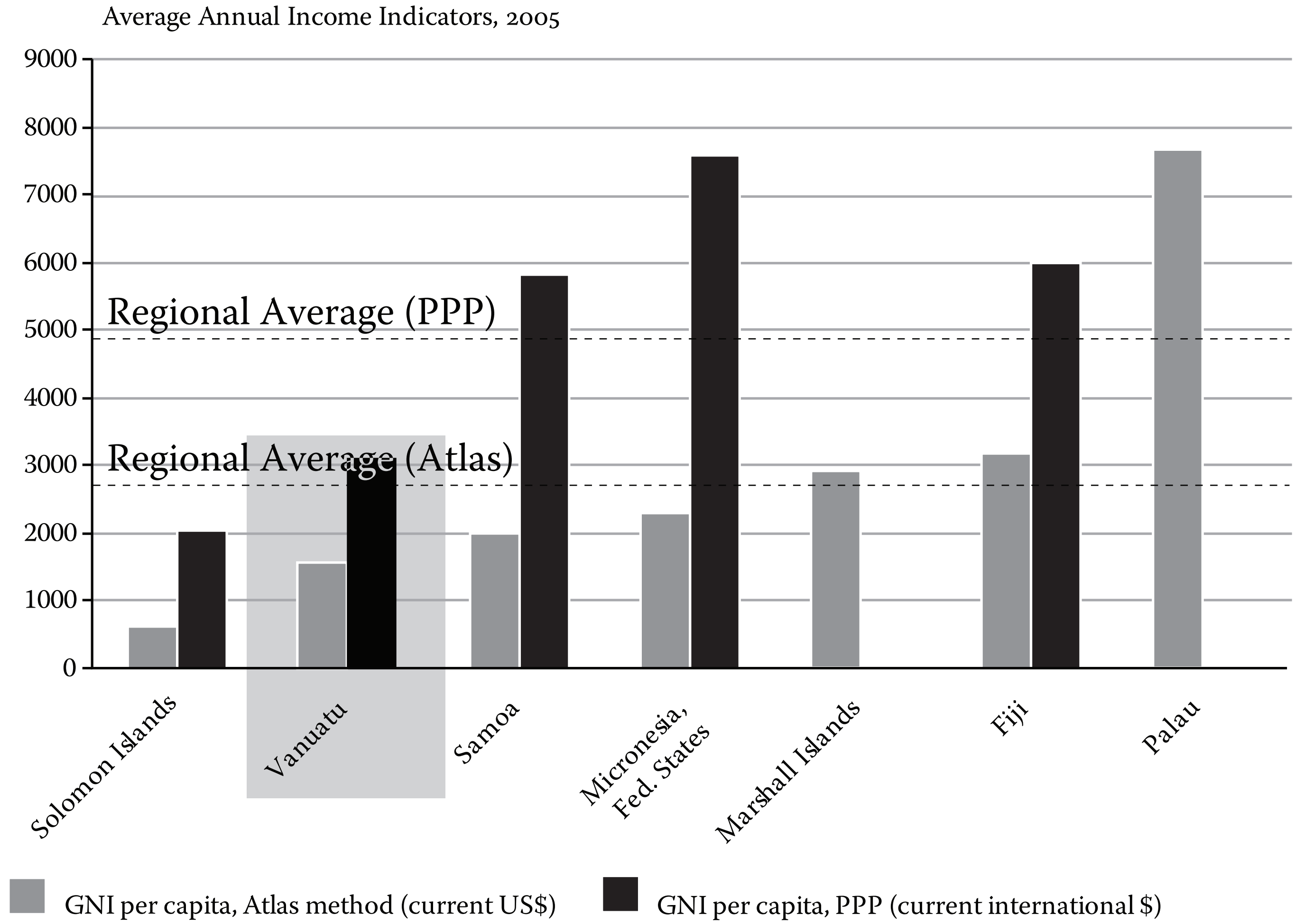
Allow me to summarize the differences in interpretations, which are covered more fully in our comments on GAO's audit report.

First, in terms of compact impact on incomes and growth, GAO incorrectly suggests that MCC erred factually in describing the cumulative benefits of the Vanuatu compact after five years. We stated that per capita income would increase by 15.4 percent by 2010 relative to the 2005 baseline, from $1,326 to $1,531 in real terms. GAO's analysis leads a reasonable reader to believe that the cumulative growth over these five years would be only 3.9 percent, which is inconsistent with the underlying data. We accept GAO's assertion that the use of five-year *cumulative* figures can be misunderstood and that *annualized* figures may more clearly portray expected benefits. MCC, however, only characterized them as cumulative figures, as entirely supported by the underlying data.

Moreover, GAO faults MCC's claim that Vanuatu's GDP will increase by an additional three percent a year. The underlying data are consistent with MCC's assessment that Vanuatu's GDP would be perpetually three percent higher with—than without—the MCC investment. The data also indicate that the effect on the per capita GDP growth rate will be moderate but rising, albeit much smaller than three percentage points. GAO interpreted the three percent higher GDP as applicable to the growth rate itself. We understand that a reasonable reader might make this error. As a result, we will certainly reduce any possible ambiguity in official language in future documentation. However, we maintain that the original language was factually correct and in no way intended to mislead.

Second, in terms of compact beneficiaries, while GAO questions the number of beneficiaries who will "receive the majority of benefits," we maintain that the compact will directly impact the lives of more than 65,000 of

Exhibit 5: Vanuatu Income Relative to its Neighbors



Source: World Bank Development Indicators (2007)

the local population in the largely poor and rural project areas in Vanuatu. We expect that near- and non-poor households will benefit from the compact in addition to poor households. Exhibit 5 shows the 2005 average annual income indicators in Vanuatu, relative to the country's neighbors. If MCC is true to its mandate of targeting economic growth as a means to reduce poverty, it is inevitable that households above the poverty line—some not so very far above the poverty line—will also benefit significantly from MCC investments. Vanuatu suffers from exceptionally unequal income distribution, and, for the most part, MCC has chosen to work in relatively poorer areas. While the 65,000 poor, rural beneficiaries cited are not the exclusive beneficiaries of the projects, they will still benefit significantly nonetheless.

Furthermore, GAO argues that the total number of rural beneficiaries included in MCC's analysis should be reduced by one-third. This is based on their untested assumption that households residing in localities with boundaries that are not directly adjacent to or touching the roads, and located on islets off the coast of the main islands, are unlikely to benefit from the compact. We dispute this assumption on the basis of our own substantial fieldwork, which lead us to define beneficiaries as those households residing in localities with dependence on, access to, and current usage of the particular road. These conclusions were drawn from field research on communities' economic activities. Compact infrastructure projects represent a fundamental economic lifeline for these communities, in terms of prospects for income generation opportunities and benefits from the agricultural and tourism sectors. Even within this framework, we believe our beneficiary definitions are conservative (particularly for Efate Ring Road, which is the country's major road), given the usage of the islands' road networks by inhabitants of islands in other provinces and tourists.

The MCC-funded rehabilitation of those infrastructure assets will make those communities' connections to the wider economy all the more vibrant and growth-enhancing. We should not discount the large body of development literature that confirms the impact of rural roads on poverty (see Koolwal, Bakht, and Khandker, 2006; Shenggen and Chan-Kang, 2005; ADB, DFID, JBIC, World Bank, 2005[2]). Naturally, those households closer to the road may benefit more in absolute terms. In counting beneficiaries, however, we do not suggest that benefits are distributed equally across beneficiaries. Variations do exist, and this is unavoidable.

Third, in terms of risks, MCC differs significantly with GAO on the precise nature and severity of risks related to induced benefits, efficiency gains, maintenance, and contingencies.

As for the *risks of induced benefits*, GAO states, *"the projected induced benefits from expanded tourism and agriculture depend on businesses and rural inhabitants responding to opportunities created by improved infrastructure."* GAO views the speculative nature of these induced benefits as problematic despite its own admission that *"[GAO] fieldwork and meetings in Vanuatu generally affirmed MCC's assumptions about benefits."* We aim to catalyze economic growth by providing opportunities to which beneficiaries can respond. Although we acknowledge the difficulty of assessing projected impacts of MCC investments, we feel it is important that we attempt to quantify them given our unique mandate to promote economic growth. MCC's substantial fieldwork included many interviews with tourism operators, farmers, and other business people to gain insight about likely changes in behavior so that induced benefits could be estimated as accurately as possible.

As for *risks of efficiency gains*, GAO suggests that *"efficiency gains – such as time saved because of better roads – … may not result in measurable changes in per capita income or GDP. Although efficiency gains could improve social welfare, they may not be directly measurable as net additions to the economy."* While it is true that time and cost savings may not translate completely into increased income-generating activity, it is highly plausible in a poor country that the majority of these savings would be used to generate income. In recognition that the assumption of full translation of efficiency gains into income may overstate benefits, MCC was careful to include a scenario in which benefits are lower than expected in its sensitivity analysis of the overall compact. It is also important to note that, despite the risks identified by the GAO, other factors not included in the MCC analysis

2 Koolwal, Gayatri B.; Bakht, Zaid; Khandker, Shahidur R. (2006) "The poverty impact of rural roads: evidence from Bangladesh," *World Bank Policy Research Working Paper* WPS 3875. Fan, Shenggen; Chan-Kang, Connie (2005) "Road Development, Economic Growth and Poverty Reduction in China," *International Food Policy Research Institute Research Report* 238. ADB, DFID, JBIC, World Bank (2005) *Assessing the Impact of Transport and Energy Infrastructure on Poverty Reduction*.

could potentially raise the returns on MCC investments, including better access to health and education, which would raise overall worker productivity.

As for *maintenance risks*, we believe this risk is overstated and does not reflect a number of recent measures taken by Vanuatu over the past three years to improve its transport infrastructure maintenance capacity, nor the content of the compact itself. For example, the Management Improvement Plan that was developed with the assistance of the Asian Development Bank has led to a significant increase in meaningful capacity for maintenance within the Public Works Department. The European Union continues to provide assistance to expand and strengthen the Public Works Department's maintenance functions, especially in the outer islands. The government increased the Public Works Department's budget for 2007 by $5.2 million (499 million Vatu), an unprecedented amount. MCC's compact will provide technical assistance and a significant amount of money to alleviate one of the key constraints that prevents timely and adequate level of maintenance by the Public Works Department, namely maintenance equipment. These are sustainable measures, which will continue to yield benefits beyond 2011.

As for *contingency risks*, GAO asserts that insufficient contingencies have been allowed in the build up of construction costs. It cites a survey by Flyvbjerg, Holm and Buhl, which concluded that road projects averaged escalations of 20.4 percent from amounts forecasted at the alternatives analysis stage. Appropriate contingencies should be applied to project cost depending on the stage of the project. The projects that were under consideration in the Vanuatu compact were at an advanced stage in preparation, either at preliminary design or final design stage, not at an alternatives analysis stage. MCC has used certified civil engineers and cost estimators in reviewing and finalizing project specific costs during the due diligence phase. While we were reasonably confident when we signed the compact 16 months ago about our cost estimates, it is always possible that unexpected developments, such as dramatic exchange rate fluctuations, could increase non-US dollar-denominated costs beyond our planned contingencies. Such unforeseen events will lead us to reevaluate the scope of work and, consequently, would impact the number of beneficiaries. These events would need to be handled on a case-by-case basis.

Lessons for the Future

In its report, GAO recommends that MCC take action by:

- revising its public reporting of the Vanuatu compact's projected results,
- assessing whether similar reporting in other compacts accurately reflects underlying analyses, and
- improving economic analyses by more fully accounting for risks to project benefits.

As we have discussed here today, MCC stands by the projected impact of Vanuatu's compact. Among U.S. foreign assistance programs, we are breaking new ground in the degree to which we make public our criteria for estimating program impact. This applies not only to our compact with Vanuatu but also our other 12 partner countries around the world.

Impact analysis is critical work and requires some informed judgment about a future that may—or may not—unfold as we expect. MCC acknowledges that basic income data at the household level are often scarce and unreliable in the poorest countries with whom we partner. Therefore, MCC has made a strong commitment to improving the quality of data in our partner countries. We have funded baseline surveys in all of our compact countries. This helps us measure the impact of MCC investments, and track interim progress toward compact goals. In several cases, these surveys are being used by the governments and other donors for purposes beyond compact projects. The monitoring and evaluation budget in the Vanuatu compact included substantial funding for expanding and improving the national Household Income and Expenditure Survey, so that the country's poverty rate and income estimates will be much more accurate. In addition, the compact also provides money for a new tourism survey to capture more detailed information about visitor patterns, tourism earnings, and employment rates in the sector. These initiatives will improve both the quality and quantity of key data in Vanuatu.

Looking forward, rather than applying extremely limited staff time to retroactively review compacts already signed or approved, we are focusing our resources and time on the compacts ahead. We will continue to approach impact and economic analyses with rigor and diligence. We will strive to use official language in future documentation that will reduce potential ambiguity that led to misinterpretations in the case of Vanuatu's compact.

Conclusion

The Millennium Challenge Corporation partners with countries determined to lift their people out of poverty and place them on a path to prosperity. Our compacts focus on providing the resources so that countries can help themselves accomplish this goal. Through MCC's compact with Vanuatu, the ni-Vanuatu are leveraging our aid to alleviate poverty that prevents them from fully engaging in the local and regional economy and enjoying a better standard of living. By addressing deficiencies in the transport infrastructure and by strengthening the capacity of the Public Works Department to sustain improvements made, MCC's compact with Vanuatu is a blueprint for reducing poverty and for creating opportunities for sustainable growth for the ni-Vanuatu.

MCC uses a number of measures to calculate how programs reduce poverty through growth. While GAO's report on the Vanuatu compact raises a different interpretation of the results of those measures, we emphasize that MCC-funded programs, including the one with Vanuatu, are generating a measurable, tangible impact in the lives of the poor that is meaningful and transformative. Both GAO and MCC agree on this outcome.

Thank you, Chairman Faleomavaega, Ranking Member Manzullo, and Members of this Subcommittee, for convening this hearing and allowing us the opportunity to discuss the Millennium Challenge Corporation's impact in Vanuatu. I look forward to answering your questions.

Millennium
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