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We must keep up the fight to reduce poverty

John J. Danilovich

The global financial crisis reminds us how interconnected the global village really is - how poverty anywhere is a threat to prosperity everywhere. And while Americans turn to the ballot box to vote their preference for how this nation should tackle the pressing challenges of our day, the world, in turn, continues to look to America for leadership in this important fight against global poverty. America has led this fight against poverty, and Americans should be proud of the accomplishments. Extending a hand to those struggling to get on their feet is a core American value; it is what defines the compassion and generosity of the American character. But, America's role in this fight is much more than a clear moral imperative. Fighting poverty is important for our security.

Poverty is a breeding ground for extremism that could endanger our values and our way of life. The 2008 Confidence in U.S. Foreign Policy Index found that 51 percent of Americans believe that if there is less poverty in the world, there will be less terrorism.

Fighting poverty is fundamental to our own long-term economic growth. Assisting the world's poor shore up their economic footing gives American businesses new markets to invest in and trade with, creating jobs right here at home. A 2003 Pew survey reported that, "People worldwide have become aware of the impact of increasing interconnectedness on their countries and their own lives. Majorities in 41 of 44 countries surveyed say that international trade and business contacts have increased in the past five years."

Americans believe in self-reliance, transparency and accountability, and are concerned that corrupt foreign governments would squander aid provided. Americans

want foreign aid that shows results in countries with honest governments. Reflecting this sentiment, the federal government created the Millennium Challenge Corporation in 2004 to award development dollars in partnership with poor countries worldwide that commit upfront to governing justly, fighting corruption, investing in health and education, and promoting economic freedom.

Through this approach, the United States partners with countries that are empowered to be leaders and champions of bold reforms to sustain the very conditions under which our foreign aid dollars can do the most good and deliver meaningful results.

Between 2005 and 2007, for example, the government of Honduras reduced the number of days it takes to start a business from 62 to 21 and the number of registered businesses increased from 22,000 to 34,000. That translates to 12,000 new businesses, large and small, entering the formal economy where they can access credit, grow to their full potential, and help reduce poverty.

Now more than ever, we as a nation need to wisely employ and expand what is working in the fight against global poverty. For reasons our hearts tell us are right and our heads tell us are smart and strategic - it is the right time to reaffirm America's commitment to tackling global poverty.

Fight against global poverty

What: White House Summit on International Development

When: Tuesday, Oct. 21

Where: Washington, D.C.

Who: Public, private and nongovernmental leaders from the United States and the developing world.

What: Working to pursue a shared development agenda: to lift people from poverty, fight disease and increase educational opportunities.

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We must keep up the fight to reduce poverty *continued*

Millennium Challenge Corporation

What are the funding goals? - Congress determines the amount available. NGOs and others have called for full funding of the organization. The MCC board of directors determine how much funding to award each country from what's available. Each country must meet specific criteria.

How much has the United States promised? - \$6.7 billion in signed agreements with more than 35 countries.

How much has been paid? - Since 2004, more than \$6.2 billion in grants. There are 18 compacts in various stages of implementation with Armenia, Benin, Burkina Faso, Cape Verde, El Salvador, Georgia, Ghana, Honduras, Lesotho, Madagascar, Mali, Mongolia, Morocco, Mozambique, Namibia, Nicaragua, Tanzania and Vanuatu. There are eight additional countries eligible to submit proposals: Bolivia, Timor Leste, Jordan, Malawi, Moldova, Philippines, Senegal and Ukraine. MCC has signed 19 threshold agreements totaling nearly \$400 million with: Burkina Faso, Malawi, Tanzania, Albania, Paraguay, Zambia, Philippines, Ukraine, Jordan, Indonesia, Moldova, Kenya, Uganda, Guyana, Saõ Tomé and Príncipe, Kyrgyz Republic, Niger, Peru and Rwanda.

John J. Danilovich is the chief executive officer of the U.S. Government's Millennium Challenge Corporation and formerly served as U.S. ambassador to Costa Rica and Brazil. To learn more, explore www.mcc.gov.

The Initiative for Global Development has been a strong supporter of the Millennium Challenge Corporation because of its emphasis on long-term investments that support economic growth and poverty reduction, its recognition that partner governments need to design and implement their own development strategies, and its insistence on evaluating program impact and accountability.