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## Focused approach encourages reform

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*Guest Columnist*

Seattle's pioneering Initiative for Global Development has called eliminating extreme global poverty "the single most important step" toward a better future for the United States and the world. The challenge is to get it right: to ensure that U.S. development assistance creates positive change where it is needed most.

History shows that with good governance and the right policies, developing nations can grow and prosper, building strong, stable civil societies. This is so important to global peace and U.S. security that in 2002, for the first time, President Bush put development assistance on a par with defense and diplomacy in the National Security Strategy. Key to that strategy is the Millennium Challenge Account, a new program initiated by Bush and created with strong bipartisan support.

The MCA works to help countries achieve real, lasting poverty reduction. It provides substantial assistance to poor countries that pursue good policies: governing justly, investing in their people and encouraging economic freedom. Countries compete to participate based on how well they score on published, independent rankings of economic opportunity; the rule of law and human rights; control of corruption; investments in health, education and more. Eligible countries then develop programs to reduce poverty and create economic growth. If programs are approved for funding -- it

isn't automatic -- a country-to-country compact is signed, ensuring strict accountability.

The Millennium Challenge Corp., which administers the MCA, is designed to operate like the best businesses. The competition to participate, along with the use of third-party rankings, helps us identify countries where our investment has a strong likelihood of success. MCA compacts are essentially business plans, with objectives and benchmarks that will be monitored on a continuing basis.

Most important is a strong focus on results. The United States is making a significant investment in development: the Millennium Challenge Account is planned to grow to \$5 billion by 2006. In return, we look for results: programs that create a measurable, positive impact on people's lives and futures.

Some observers praise the MCA but worry about needy countries that don't make the cut. People should know that the United States provides significant humanitarian assistance in addition to MCA, directly to people in need. U.S. foreign aid is up more than 50 percent since the beginning of the Bush presidency -- and that's even before new programs such as MCA and the president's \$15 billion emergency plan for HIV/AIDS.

But the deeper answer is that MCA's focused approach is not only intended to help countries that are committed to progress; it is also intended to encourage reform and growth everywhere it is needed. MCA's strict standards give countries a strong incentive to make reforms to qualify. One country passed four pieces of anti-corruption legislation and began enforcement, all in hopes of future MCA eligibility. Every time a country makes such positive changes, it advances its own potential for growth, development, and prosperity.

America's Millennium Challenge has moved swiftly from planning to reality. It passed Congress in January 2004 with strong bipartisan backing. In

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## **Focused approach encourages reform** *continued*

May, the first eligible countries were announced: 16 of the world's poorest countries -- eight in Africa and others in the Americas, Asia Pacific and Central Europe. MCA teams have visited each new partner, to kick off an ongoing dialogue with governments and citizens. Today, all are working to develop effective proposals.

The promise is real: Any country that seeks a better life for its people can cross the threshold of reform, into a future of opportunity. It is now up to the countries and their leadership to take advantage of the opportunity MCA provides.

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