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## **Millennium Challenge Account**

The MCA works on a simple premise: if developing countries take the steps forward to help their people and fight corruption, then the U.S. will help to fund their development priorities. The MCA focuses specifically on promoting sustainable economic growth to reduce poverty through investments in areas such as transportation, water and industrial infrastructure, agriculture, education, private sector development, and capacity building. Using objective indicators, countries are selected to receive assistance based on their performance in governing justly, investing in their citizens, and encouraging economic freedom. Because corruption undermines every aspect of sustainable development, MCA has made fighting it one of its highest priorities.

As of January 2008:

- The MCA is currently working with 40 countries. Of these countries, 19 are in Africa.
- Of the 16 Compacts signed to date with MCA, nine are with African countries. These total \$3 billion, more than half of the total value of all MCA compacts signed to date (\$5.5 billion).

### **What are MCA compact countries in sub-Saharan Africa doing with their funding?**

- Madagascar -- \$110 million (April, 2005)
  - Projects: secure formal property rights to land;
  - Access credit and protect savings;
  - Training in agricultural production, management and marketing techniques.
- Cape Verde -- \$110 million (July 2005)
  - Projects: improve the investment climate and reform the financial sector;
  - Improve infrastructure to support increased economic activity;
  - Increase access to markets, employment, and social services;
  - Increase agricultural productivity.
- Benin -- \$307 million (Feb. 2006)
  - Projects: improve physical and institutional infrastructure by focusing on access to four critical sectors: land, financial services, justice, and markets.
- Ghana \$547 million (Aug. 2006)
  - Projects: improving the productivity of agriculture, increasing production of high-value commercial and basic food crops, and fostering greater private investment in agriculture. Program will also improve the physical and institutional infrastructure in agriculture sector.
- Mali -- \$460.8m (Nov. 2006)
  - Projects: irrigation, airport improvement, and industrial park project.
- Mozambique -- \$506.9 million (July 2007)
  - Projects: water and sanitation project including six cities, two mid-sized towns and 600 water points in rural provinces; transportation project to increase access to northern region; land tenure services project; farmer income support project to reduce the spread of a

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- coconut disease, improve productivity of coconut products, and encourage diversification into other cash-crop production.
- Lesotho -- \$362.6 million (July 2007)
  - Projects: improving the provision of water supplies for industrial and domestic use, improving health outcomes and productivity by investing in health care infrastructure and human resources and removing barriers to foreign and local private sector investment.
- Tanzania -- \$698 million (August 2007)
  - Projects: infrastructure investments in transport, energy and water.

