



Remarks by MCC CEO Daniel Yohannes at the Public Outreach Meeting after the December 2009 Board Meeting

December 10, 2009 - As prepared

Thank you, Aaron, for that introduction.

Let me also thank each of you for the warm welcome you've given me as I assume my duties as MCC's CEO.

I am deeply honored by the support that I have received from both President Obama and Secretary of State Clinton.

The President and the Secretary of State are committed to expanding opportunities for the world's poor, and I am very proud to be here today to help guide MCC in fulfilling our role in that commitment.

And, I'm grateful for the Senate's swift confirmation of my nomination. Congress is an important partner for us, and I am looking forward to working with the many men and women on Capitol Hill who are dedicated to MCC's mission of reducing poverty.

I am also looking forward to getting to know, and working with, all of you.

This is my second week on the job and this is what I know for sure: MCC is expanding opportunities for the world's poor through a system built on transparency, results, and new thinking in development.

MCC has a solid foundation that will serve us well as we look ahead and explore

- more innovative ways to reduce global poverty,
- new ways to work with the private sector, and
- more creative ways to deliver results.

Yesterday our Board met, chaired by Secretary Clinton.

I appreciate the unique, public-private composition of the Board. I believe this allows for varied perspectives that can make MCC even more effective.

It was clear from the discussion that the Board remains steadfast in its call to partner countries to continue to fight corruption.

It was also clear that MCC wants to continue finding innovative ways to work as partners, not patrons.

While the panel will go into more details regarding recent Board decisions, I'd like to mention four key decisions.

First, Moldova: In late November — before the quarterly meeting yesterday — the Board approved Moldova's \$262 million compact to reduce poverty by investing in roads and agriculture.

We expect to sign the compact early in the New Year, pending successful completion of the congressional notification period.

You'll hear more about MCC's latest compact from Darius Teter when the panel convenes.

Second, Mongolia: The Board approved two new projects in Mongolia's compact.

Rather than invest in the rail project, the Mongolians have proposed rehabilitating a critical road segment and focusing on energy and environment activities.

The energy and environment project centers on issues critical for many Mongolians — air quality and energy efficiency.

The terrible air quality has consequences for Mongolia's poor.

This innovative project would fund the introduction of alternative energy and energy efficient products.

As someone with experience in the renewable energy sector, I applaud the Mongolians for making clean energy a key component of their strategy for sustainable development.

You'll hear more about Mongolia from Frances Reid.

Third, Niger: Because of MCC's commitment to sound policies as fundamental to country-led development, the Board made the tough decision to suspend Niger's threshold program.

Niger has moved in a direction that is inconsistent with MCC's eligibility criteria.

There will be an orderly wind-down of the threshold program. USAID has been implementing the program for us. So, we will be working with USAID on the wind-down.

This suspension decision is made with deep disappointment. We would have liked to continue the program if circumstances permitted us to move ahead.

Panelist Sherri Kraham will be able to talk more about MCC's decision related to Niger.

And, fourth, country selection: At yesterday's meeting, the Board selected Cape Verde as eligible for a second compact.

This is the first time MCC has selected a country as eligible for a second compact.

A second compact will allow for deeper investment in long-term poverty reduction and economic growth.

Eligibility for a second compact is not automatic, and countries must meet a higher hurdle to achieve eligibility.

For a second compact, the Board considers not only a country's policy performance but also how effectively it implemented its first compact.

Jordan, Malawi, the Philippines, Indonesia, and Zambia were selected again as compact eligible, and are continuing to work on their compact proposals.

When the panel convenes, Sherri can also go into more details about this year's selection process, but let me just say this.

MCC remains committed to delivering development assistance to partner countries that are taking the tough steps to practice the sound policies necessary for sustainable growth.

What continues to distinguish MCC from others in the development community is how seriously we take our core principles—

- sound policy performance,
- country-led development,
- transparency,
- accountability,
- fighting corruption, and
- results.

These are vital to the sustainability of MCC-funded programs.

We want to continue sharing our experiences, best practices, and lessons learned in the implementation of these principles, especially as the development community as a whole takes a hard look at the future of foreign aid.

And, within the U.S. Government, MCC is making key contributions to the analysis of development policy.

We are contributing to the Quadrennial Diplomacy and Development Review being conducted by the State Department; and we are participating on the interagency committee organized by the National Security Council to review the U.S. Government's development policy under the Presidential Study Directive.

As I conclude, I want to thank you for following MCC's important work.
I'd be happy to take a few questions before the panel convenes.