国際開発援助動向研究会
第48回会合の議事録

1. 日時：平成17年12月20日（火）12：00～14：00
2. 会合：「国際開発援助動向研究会」第48回会合
3. 場所：国際協力銀行開発金融研究所大会議室
4. 発表者：Mr. Richard A. Morford
   （Managing Director, Donor & Multilateral Relations, Millennium Challenge Corporation）
5. 議題："Update on the U.S. Millennium Challenge Account—Strategy, Selection, Implementation, and Evaluation—Is the MCA Making a Difference?"
6. 出席者：42名
7. 議事:

7.1 開発援助情報システム「DAKIS」（http://dakis.fasid.or.jp/report/reference.html）
   ・文献紹介 No.58
   竹内潤子（FASID国際開発研究センター主任）

7.2 Today’s Presentation (December 20, 2005)

Background
Millennium Challenge Corporation（MCC）which is in charge of executing Millennium Challenge Account（MCA）is a newly created organization to handle significant amount of US ODA. MCC’s operations are quite different from those of USAID; more transparent, large ODA amount for few projects in a few countries selected by objective governance and institutional criteria. Mr. Morford is the Managing Director, Donor & Multilateral Relations, MCC. Mr. Morford described recent developments at MCC (selection, implementation, changes in the MCC programs, threshold countries, and evaluation). We discussed with him and USAID/Tokyo representative possible expanded areas of further cooperation and collaboration between MCC/USAID and Japanese ODA agencies.

MCA’s objectives
MCA was established in January 2004. Our commitment was made at the UN Summit in Monterrey, Mexico. The idea is to provide the greater resources to countries that are taken greater responsibility for their own development.
We have only one mandate. Our job is poverty reduction through economic growth. We took almost 2 years from the time the president announced the MCA until the MCC was established. In that time, we had to think a lot and tried to borrow concepts and learn lessons of aid from the past.

**Key lessons of aid**

Key lessons of aid are that policies matter, and country ownership and results based approaches are important. As for policy matter, one of the things interesting about it is that we only work with countries that are relatively better in terms of policy. We use sixteen independent indicators in three different criteria: ruling justly, investing in people, and encouraging economic freedom (www.mcc.org). The MCC Board selected 23 countries as MCA eligible countries.

Regarding the second key, country ownership, is also very important. We assess proposals based on 3 things. The first is the contribution to poverty reduction and economic growth. The second is the quality of the consultative process and breadth of support. The last one is the ability to measure results.

The last point is results based. What happens once the proposal comes in, we work diligently on it. We examine: Who is responsible for what we are trying to achieve collectively, what objectives are, how we will measure them, how we decide, who is going to be doing the work. All these things are in the compact. Continued funding of the compact depends on how well they do in carrying out the program and if they stay eligible under the indicators.

**Examples: Compacts with Madagascar**

The first compact is Madagascar. The goal of Madagascar compact is to increase investment in rural area. It is $100 million over 4 years. There are several things that had to be done to get the conditions right before we can put a lot of investment in the rural areas. In case of the Madagascar, it includes land tenure, financial sector, and agricultural business investment.

**What have countries wanted?**

We now have proposals from 17 of the 23 countries. I would say large percentage is in the rural development enforcing reducing rural poverty. The second interesting thing is 9 countries’ specific request are land titling. We get a lot of infrastructure requests. I would say over half of the proposals involve something with how we improve conditions for business.

**Implementation**

Once we have the compacts with, we do not implement. The country is responsible for
implementation. What does that means? The countries have to decide a mechanism for procurement, and on where to place the money. All those things are responsible for government. MCC have one or two representatives in the each countries.

**Where is the MCC Today?**
Five compacts -Cape Verde, Georgia, Honduras, Madagascar, Nicaragua; we have committed roughly 1 billion dollars. Congress has given us roughly 4.25 billion dollars. We have about 3 billion dollars available to commit in 2006. We are moving.

### 7.3 Discussions

Q1. Usually, the major infrastructure projects require certain period, but in the case of Madagascar, it took only 2 years. How are you able to move so fast with infrastructure?

A. We are able to move faster there because the World Bank had already done environmental and social impact statements and the poor already had done feasibility study. But they are lacking money.

Q2. Are you going to extend budget support types of assistant or are you to stick with project assistance?

A. We have not provided budget support. There are two reasons. The first is only one of the countries has a necessary fiscal accountability and procurement capability that allow us to provide budget support. Secondly, our registration requires that we tie a program very specifically to results. And very few budget support programs do that well right now. Does that mean that we will not work with budget support groups? No. We will work very closely with budget support of other donors in every country.

Q3. Your activity is independent of your congress, same time your activity is less independent of other donors, donor coordination especially harmonization and alignment along with DAC movements. You don’t have many local representatives in countries. If you are supportive of aid coordination, how are you going to do ask, for example, GTZ agents to work together?

A. Harmonization is more interesting one. We were not probably harmonized on everything as you see how we operate. They will be in different ways. We will see the opportunity of harmonization. For example participation PIFA exercise which is public expenditure finance. If you can get a method agreed on how you go about assessing countries’ public expenditure management of their procurement practices, then we will know how good these guys are taking care of their money.
Q4. The objective and method of MCA is very clear, but what is the genuine new point?

A. If you look at each of the elements, there is nothing new. But the package is different. And the other thing we have done is a kind of a one step beyond. For example, the fact we are not the whole US government but of one part of aid community means they were able to be much more transparent publicly. We tell countries that on the website they can look at exactly how they are doing on the 16 indicators. The other thing is that they can take ownership. We ask the country what part they want to work on. That is better in terms of country ownership and it goes beyond what most donors are willing to go.

Q5. Are there any changes or strategies to USAID's part?

A. There were a lot of fears at the beginning. The MCA would be coming into a country; USAID's mission would be closing down. That is something we never wanted and we are very happy they did not happen will not happen. A mission of each of these countries continues. We coordinate very closely and share information. But we are not substituting for USAID activities. They have mission much bigger than ours.

Q6. We understand that there is only one MCC person in each country at present. Not only to create baseline survey, but also to monitor what is going on and also to engage policy dialogue or to simply to assess what is going on with the results or how to adjust a framework which produces result. Also the tough part is creating meaningful result based management system. How to really assess the result based on that framework is very tough but we are not quite sure that the only one person can do it. Even if you have a team back at the headquarters, is it really enough to do meaningful things?

A. One critical point is the country’ capacity to implement what is in the proposal. This is not easy for some countries. We have people from NGO, government, private sector to come and help MCA.