



**Round Three of the MCA:
Assessing the Prospects for FY2006 Country Selection and Funding**

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Peter G. Peterson Conference Center
Institute for International Economics
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P R O C E E D I N G S

MR. RADELET: Good afternoon. My name is Steve Radelet. I am a Senior Fellow at the Center for Global Development, next door.

I want to welcome all of you and, first of all, tell you that you are all crazy to be coming over here on a beautiful afternoon to hear me mumble on, or maybe that is why you came over, because it is a beautiful afternoon and it is a good excuse to get out of the office. I don't know. But anyway, welcome and we are glad to have you.

I hope that we will be joined a little bit later by my friend Paul Oostburg, who is on Congressman Lantos' staff on the House International Relations Committee. He was going to join us to provide some comments after mine, and, at the last minute, something came up and he is going to try to join us a little bit later; but in the meantime, we will forge on.

Our talk today is part of a larger series of events and analyses that we do at the Center for Global Development, called the MCA Monitor, which we have started over the last few months. It is something that I work on with several other people who have joined us very recently, and we are trying to strengthen our group of people, trying to do helpful analysis on that; most importantly, Sheila Herrling, sitting here in the front row, who most of you know or many of you may know, who has returned to CDG. She was our Director of Communications and before that was at Treasury, the Deputy Director of the Multilateral Development Bank Office, among other things, and, after a hiatus, has come back to work on the MCA Monitor.

Kaysie Brown has recently joined us. Where is Kaysie? Is she here someplace? She is still out front. Kaysie was up front working on the Monitor, and Bilal Siddiqi, who has been running some of the numbers that we will see today.

So we have got a team that is working on these issues. We have just put out two papers that are on the table out in front. I see most of you have those, and you are welcome, if you don't have those, to pick them on the way out.

We have got more analyses coming on some of the issues facing the MCC that we will be producing in the next few weeks. We have a blog that we have put up, for those of you who like to get into daily debates on various issues, but there is a blog up on our website and you can keep an eye on that for upcoming events.

On today's discussion, I want to focus on some of the issues facing the Board of the MCC when it meets next Tuesday, in which it will be doing a number of things; among other things, selecting countries for Fiscal Year 2006 to be eligible to submit proposals for funding to the MCC.

This will be the third time that the Board has selected countries, the first time 18 months ago, in the first week of May 2004, and then again just about a year ago, they went through a second round of selection. So this is the third round.

It comes, I think, at quite a crucial time for the Millennium Challenge Corporation, which, in many ways, I think, is the beginning of a new chapter for a new organization. We welcome the new CEO, Ambassador Danilovich, who will be starting next Monday, with a baptism by fire. He, as I understand it, has a visit from the President in Brazil on Sunday and arrives here for the first day on his new job on Monday, and has a Board meeting on Tuesday. So Wednesday he will probably quit, but he will be starting next week and I know everyone is looking forward to having him on board, especially people at the MCC, as they move forward.

But it is also a crucial time because of many of the questions that have been raised and the pressures that have come to bear on the MCC about speed, about compact size, about people, some of whom had unrealistic expectations for how this program proceed.

But putting those issues to one side, I think it is going to be a very crucial year for the MCC that will determine if, in fact, it will be an organization along the lines of its original vision of \$5 billion a year and providing financing for transformative types of projects and programs in a range of developing countries.

I believe it still has that potential and it has great promise, as I have always said, but it is time now really to get beyond the promise and to get into the implementation stage, and I think now 18 months after the first set of countries were chosen, it is really going to be time to see how the rubber meets the road.

So this is going to be a critical year, and there are a number of issues facing the Board. We aren't going to be able to talk about all of those today. I am going to focus on a couple of key ones on the selection of the countries, but then, also, talk about some of the tensions around funding and the number of countries and the issues around being transformative.

We are looking forward to having probably two other events like this in the next month, where we will be speaking about some of the other key issues facing the Board, getting some perspectives from Congress and, hopefully, from the MCC itself after the Board meeting and after Ambassador Danilovich is in place.

So we are only going to take one bite today, a bite or two perhaps, but not be able to really address all of the issues going forward.

So let's talk about country selection. It is really one of the key issues for next week's Board meeting. I think to start with, just to review, for most of you, I think you all

know the way that this process works; that the MCC looks at a group of low income countries and looks at 16 indicators of progress in those countries, six of those on ruling justly, for what they call ruling justly, which would be governance, both democracy and other measures of governance; four on health and education, called Investing in People; and, six others on economic freedom, on economic policy.

For countries to meet the indicators test, they have to score above the median on half of the indicators in each of those three categories. So they need to score above the median on three of six ruling justly indicators, two of four Investing in People, and three of six in economic freedom, and they must, as one of the six governance indicators, score above the median on corruption. Most of you all know that, but that is the basic story.

Last year the MCC chose 17 countries to be eligible to submit funding. This year, by my calculations and by their numbers, actually, 34 countries passed the test, 34, twice the number that were selected last year.

Now, not all of the 34 will be chosen, but the number of countries that passed the indicators test this year is much larger than last year. There are two reasons for that.

One, within the group of low income countries, with incomes below about \$1,500 is the cutoff, there are few more countries that meet the standards this year than last year. That is part of it, and we will look at exactly who those are, but there are more countries within that group that meet the standards. That is one reason.

The second reason is because there is a new group of countries this year. For the first time, the MCC will consider declaring eligible a group of lower middle income countries and will look at countries with incomes between \$1,500 per capita and \$3,000 per capita and have those compete separately in terms of their indicator scores and choose amongst those.

It looks like eight of those countries meet the standards for qualifying. So between those two factors, there are many more countries that qualify this year, and that is going to raise a number of issues.

It is not at all clear that there is going to be sufficient funding for these countries and we will come to talk about those issues a little bit later.

Let's start with the low income country group. I won't get into the details of all of the data. It is in the handout, the paper that you have got. We have tables in the back that have the data for every indicator for every country. So if you are really curious, you can look at the tables in the back. If you are looking at those, you will notice that some of the scores are shaded gray. Those are scores that are below the median, that, therefore, miss the hurdle. The ones that are not shaded are above.

This list of 26 countries is the group of low income countries that passed the basic indicators test; that is, they all are above the median on three of six of the ruling justice indicators, two of four Investing in people, and three of six economic freedom, and they are also all above the median on the corruption score.

Now, not all of these countries will be selected, because the rules, the MCC rules say that the Board can exercise discretion because of problems in the data or if any of these countries score substantially below the median on any indicator, a very vague reference.

Basically, the idea there is that even if a country meets all of the standards, if it scores very, very poorly on some indicator, like immunization rates or the budget balance, that might be an indication that they are not quite as serious about their full set of development policies as we would like them to be and, therefore, maybe they won't be chosen. So that is a possibility.

So the Board has some discretion and, in the past, they have used that discretion and did not choose all of the countries that passed the test. In fact, last year, last November, of the 24 countries that passed the test, they chose only 14 of those. There were three others that did not pass the test, for various reasons, but they did not choose all of them.

Now, of this list, as I say, they are unlikely to choose all of them, but many of them are familiar names for countries that were chosen last year and there is every reason to believe that since they make the indicators again this year, that they will be chosen again this year, and those are the countries with the asterisks, or the two asterisks. If they have got two asterisks, that means they also have a compact that has already been signed.

So Armenia, Benin, Bolivia, Ghana, Honduras, Lesotho, Madagascar, Mali, Mongolia, Morocco, Mozambique, Nicaragua, Sri Lanka, and Vanuatu all were chosen last year. They make the indicators again this year; every reason to believe, I think, that they will all be chosen again. So I won't say much more about those.

There is also a set of countries, a couple of specific ones that are worth mentioning. Mozambique did not make the hurdles last year, yet they were chosen, even though they fell a little bit short. This year, the good news is that they actually do make the hurdles. They actually improved in enough of their scores to make the standards.

For those of you that saw the first draft of our paper that came out, we had Mozambique not making the hurdles. We discovered actually that the IMF's electronic database was wrong, that their inflation rate was wrong, and so the number that the MCC was reporting was wrong. It had a 28 percent inflation rate and we discovered that it was actually closer to seven.

So when we fixed that, Mozambique actually makes the hurdles. Even the IMF can be wrong on inflation data. It is amazing. So Mozambique is in this year.

But there are other countries that are worth looking at. Georgia, also, last year, did not make the tests, but was chosen and then signed a compact a couple months ago. This year, they also do not make the tests, although they are much closer and since they just signed a compact, I suspect that the Board will select them again this year. It would be rather odd if they didn't.

But there are then some countries that make the test that were not chosen last year and since they weren't chosen last year, I suspect that will be the case again this year. Starting from the top, Bhutan, China, Egypt were not chosen last year; Vietnam and the Philippines are the five countries on that list that were not chosen last year, despite making the indicators.

Most of them, with the exception of the Philippines, are democracies and, in fact, so far, by my reckoning, the MCC has always chosen not to select countries that are not democracies--there are a lot of "nots" in there--but for countries that make the indicators tests, but are not democracies, the Board has always chosen to leave them out, with the single exception of Morocco, and I suspect that that will be the case again this year. So my guess is that those countries will be left out.

But of that list, I just want to focus on this list of countries that I think are the most likely to be selected, and those are the ones that I have just mentioned; Armenia, Benin, Bolivia, Burkina, East Timor, and several others.

But there are some new ones now that I want to highlight that did not make the tests last year, but do this year, and here I think are some really interesting cases. There are three that I think would excellent candidates, actually, quite good candidates for the MCC; Tanzania, East Timor and Burkina Faso. All three make the hurdles this year. Burkina

actually did last year. All three are democracies, and I think there is quite a good case for the Board to select all three.

Tanzania has made slow, but steady progress in the last few years and many people think that they are actually using their assistance quite effectively.

East Timor, as a new country, has come a long way and I think there is a very good reason for the U.S. to try to strongly support East Timor's transition to get on a good foundation.

Burkina Faso, there are some concerns about military activity in the region, but I think, in many ways, they should at least be given the opportunity to submit a compact. Whether or not they actually do that or not, I am not sure.

Some other interesting cases. Senegal probably will be chosen this year, but they don't make the tests. They did last year, but not this year. They are the one country that met the tests last year, that failed to do so this year. They slipped a little bit. But they are very, very close and compact discussions have gone a long way. So I suspect that Senegal will be chosen, despite the fact that they fall just slightly below the median.

A couple of other countries that make the tests that I think are going to be interesting cases for the Board. Perhaps the most interesting will be Uganda. Uganda passes the tests this year. It did not last year, but there were broad-based improvements in Uganda's governance scores, which surprised many people, but on actually a wide range of indicators, the scores in Uganda have done well.

Many of you know that there have been growing concerns over the last year or so about political developments in Uganda and the fact that they have moved to change the constitution to allow for another term for the President.

I am no expert on Uganda and I am certainly not in a position to comment what the U.S. Government's position will be on that, but I think given the debates around that issue, it will be a fascinating discussion for the Board.

On the one hand, Uganda has, in fact, a good history over the last several years of using aid funds effectively. On the other hand, there are questions about where its political governance is going. So I think that will be, in some ways, the trickiest issue for the Board.

The Gambia, where I spent two years, also makes the hurdles for the first time this year, but there was a coup in 1994 and the place has been run every since by a flight lieutenant, Yahya Jammeh, and somehow its democracy scores have improved. It is a bit of a surprise to me, but they have. So the Gambia may be considered, as well.

The other three countries on that list, on the right, Guyana, Mali and Zambia, are quite close to making the indicators. They don't quite, but I think a reasonable case could be made for any of the three.

One final country that I will mention here that makes the list, that passes the indicators test, is number 12, India. In many ways, for me, this is an interesting case, as well. I strongly suspect that the Board will not choose India, in many ways, although one could make the case that if the MCC was interested in reducing global poverty, that they should just choose India and spend all their money there because that is where all the poor people live.

But India has access to private sector finance and I think any amount that the MCC could make available there would be, frankly, a drop in the bucket. So I suspect that they won't be chosen.

But in some ways, it is a shame. It is the largest democracy in the world. It is one of our allies. It is in a part of the world where it is absolutely in the U.S. interest to make

India be successful, and Lord knows there is a lot of need in India, but because of budget constraints, I am not sure that they will be chosen.

So that is the story on the low income countries. Let me move on to the lower middle income countries and discuss those issues there. There are 28 countries in this group and when you do the basic math, eight countries pass the tests; Brazil, Bulgaria, El Salvador, Jordan, Namibia, Samoa, Thailand and Tunisia.

I think there is a huge question facing the Board about the lower middle income countries. My view on this for many years now, from the beginning of this program, is that it is a very bad idea for the Millennium Challenge Corporation to move into the lower middle income countries. It doesn't make any sense, from a development point of view or from a USAID, a U.S. foreign assistance point of view.

These countries, as a group, the lower middle income countries are three times richer than the low income groups, three times per capita income. They have much higher savings or they have access to a much broader, diverse set of financing possibilities than the low income groups. They have higher savings rates.

They have much higher domestic tax rates, and almost all of them have access to some forms of private capital. Almost all of them have graduated from traditional aid programs. All of them, for example, are not eligible for foreign aid from the World Bank through the IDA program. If they get financing from the World Bank, it is through the IBRD, which is basically on market terms. So they have graduated from most aid programs.

One of the key rationales for the MCC is to help countries get to the point where they can gain access to private sector capital and they are no longer using foreign aid. These countries are there. Why we would go back and give foreign aid to countries that are moving away from it I don't think makes much sense, especially with constrained budgets. If the

choice is to give a dollar of aid to a low income country that can't get it elsewhere versus a middle income country that has other possibilities, I would give it to the low income country.

I realize there are lots of poor people that live in these countries. There are lots of poor people that live in our country. But I think in terms of thinking about where the next dollar should be spent and whether the countries have other options, we should focus on the low income countries.

Having said that, in Fiscal Year 2006, I think it makes even less sense to move up and include this group, because the MCC budget is highly constrained.

When the idea was first put forward to include this group of countries, it was supposed to be in the third year of the MCC, which is, in fact, 2006, but corresponding to moving to this set of countries was the idea that the MCC budget would be \$5 billion. It is not going to be anywhere close to that. Probably closer to about a third of that level, we don't know yet, perhaps half of that, but it is going to be nowhere close to \$5 billion.

And since the funding along the original vision is not there yet, we shouldn't be expanding the number of countries yet, is my view, but that is up to the Board.

One country of great interest that you will not see on the list is South Africa. Many people, when they first talked about the idea of the lower middle income countries, the country they had in mind was South Africa. Surely, we can be providing foreign assistance to South Africa, and I have some sympathy for the argument in South Africa.

South Africa's income level is now too high to be even in this group. They are well above the \$3,000 limit. They are about \$3,400 now. So their income precludes them from even being considered.

So the one country that people had in mind when they were thinking about this is no longer on the drawing board.

Of those eight countries, my guess would be that those on the right would be chosen. Cape Verde doesn't quite make the indicators, but they moved this year from the low income group last year to the lower middle income group this year. They actually jumped groups and even though they jumped to this higher income group, they still almost made the indicators.

They have a compact in place. It has been signed. Things are going well there. So my guess is that they will be selected, even though they miss the requirements here.

If the Board is to choose any of these countries, the ones on the right I think are the best choices. The fact that I was a Peace Corps volunteer in Samoa is not the reason that I put them on the list. It is an unbiased list. But the others may be chosen by the Board.

But my recommendation would be either no countries or perhaps one or two this year. It just doesn't make sense to me for us to be spending our dollars there.

Now, let me move on to a broader question that all of this rises. We can look back and if there are questions later about any specific country, I would be glad to address them. But the bigger issue for the Board is the following.

As we say in the second paper that Sheila drafted and I helped her with, the fact that there are more countries that qualify or at least meet the standards this year puts the Board in a difficult position, between a rock and a hard place.

There is a lot less money, \$1.7 billion, \$2 billion, perhaps maybe \$2.5 billion, if we are fortunate, but there is less money than originally envisioned. That is number one.

Number two, there are a lot more countries that meet the standards. Number three, there is a lot of pressure for the MCC to fund larger compacts. There has been some disappointment in the first set of compacts that they were too small and, in fact, there is just a

list of the first five compacts that have been funded, \$110 million to Madagascar, 215 in Honduras, 110 in Cape Verde, a 175 million in Nicaragua, and 295 in Georgia.

In most cases, these are relatively small relative to other donors, with the exception of really Cape Verde, and probably not big enough to be transformative in the sense that the MCA is interested in.

And the transformative is not just in the sense of making a big impact on the country. It is also important in the sense of for countries to want to take the steps that are necessary to keep qualifying for the MCA and to write a compact and to jump through all the hurdles that we want them to jump through, they are going to have to have the incentive, that this is not just another average size donor. They are going to have to have the incentives that this is big, this is real, this is important, and if the programs are small, they are just not going to be interested in playing along.

So for incentive reasons, there has been a lot of pressure then for the MCA to think bigger.

So how do you square this circle? There are more countries, there is pressure for the programs to be bigger, and there is less money.

That is a problem. The Board doesn't have to absolutely answer this question definitively next week, because there is money that is not spent yet, but we are getting to the point where the Board has to begin to think strategically, looking ahead as to how they are going to square that circle, and I think it is a difficult issue which is going to have long lasting impacts on the design and the structure and the purpose of the MCA.

So let me just think about really three very broad options about how to square that circle, to think this through.

One, get more money. Obviously, if you've got a constraint, relieve the constraint. It is always easier to just get a bigger budget. But in all seriousness, we've got to redouble the efforts and not let go of the vision of this thing being a \$5 billion program, because it has the potential to really be big, not only in terms of the U.S., but recognizing that other donors are watching what is going on here and if this thing works, it could really have an effect on how foreign aid in general works.

So we shouldn't be ready to give up on that vision yet. But you can't quite blame Congress for not being willing to go that far yet. They have put \$2.5 billion out on the table over the last two years and so far, add up those numbers on the right-hand side, less than a \$1 billion of commitments over four to five years, for years that we haven't even appropriated the funding yet.

But they have already got \$2.5 million in the bank and Congress, given all of the pressures that are on Congress right now, which you are all quite aware of, which have gotten much more intense over the last month, they don't see the need to to fund these programs.

I think the onus then becomes on the MCC to show Congress, to put the pressure on Congress, so that funding really is the constraint. Right now money is not the constraint. It will be and it should be, but it is not.

So I think that that is why this next year is really important. So that a year from now, it is very clear to Congress that additional funding is necessary for this program and if it is not abundantly clear to them a year from now, then I think we are going to lose the momentum of ever getting to be even a \$3 billion, \$4 billion, much less a \$5 billion program.

The way to do that is to move faster and to think more aggressively about the size of the programs and to think about much larger programs going forward.

There has been a lot of talk about speed and how the MCC could accelerate the process, and I know that inside the MCC, there has been some quite serious discussion about how to accelerate the process. They are aware of the process. They are aware of the debates.

There is a real tension. You don't want to go so fast that you lose quality. This isn't simple. This is not simple to go out and think of good projects and write them up and think about all the issues that need to be thought through and where the money goes through and procurement policies and who is going to do this work and how are you going to do monitoring and evaluation. It is not easy, no question about that.

On the other hand, it has been 18 months since the first set of countries was named. Five countries have signed compacts, but the other 11, they are underway, but some of them are a long way off now even 18 months later. So we can go faster.

There are a few steps that we have talked about before that I think are just worth listing again, about how the process could be sped up. First of all, next week, if new countries are named, the MCC should immediately name a team of people that are the contacts for that country and make it absolutely clear to the government officials on the ground and U.S. personnel on the ground who the contact person is.

You give them their cell phones and you let them know how they can contact them 24/7 and they who the people are and who is in charge, and not have that team change.

One of the problems in the past was that the contact people changed and communication was difficult. Part of that is normal startup for an organization, but now the startup phase is over. So I would name a team of people and make those contacts absolutely clear.

Second, there should be much greater MCC presence on the ground before the compact is signed; not an occasional visit, but a very regular visit out there to help the progress along.

Third, there should be greater use of the 609(g) funds which would allow countries to use technical assistance in the pre-compact phase to help them move forward. Yes, the MCC is supposed to be country-led. Yes, they are supposed to take the initiative. But countries don't have lots of really capable people lying around with nothing to do that can all of a sudden sit down and write a compact.

Every one of these countries is very constrained in the number of highly skilled people that they have and for them to hire outside expertise to help them along in the process is absolutely relevant and does not undermine country ownership, in my mind, at all.

Corporations hire people out, governments hire people out when you have a special project to do, and the MCC is moving in that direction, but I think they need to move more aggressively.

Fourth, I think we need to work on some deadlines here. Right now, the process is open that countries can go back and forth and negotiate their compact and it can take forever and there is no deadline that it has to go to the Board. In my view, the MCC should impose deadlines, one deadline a year or two deadlines a year, so that within 12 months, at the maximum, of being named, that the country brings a compact to the Board and if they don't, they move off the list. They can be selected again in the future, but that they would be off the list, and I think a deadline would focus the attention of the MCC staff and government officials to get things moving.

I would like to see two deadlines a year, where the Board could meet twice a year, and the first time, if a country doesn't make a deadline for the first Board meeting, that is

okay, they can keep working on it for a few more months until the next Board meeting, but you have got very firm deadlines, twice a year that the Board meets.

They take the compacts that have been submitted to them, get those reviewed, and then make decisions up or down as to whether or not countries qualify.

Part of that would mean that not all countries that qualify get funding; that the Board would receive compact proposals that would not be of high enough quality and they would say no. That is the way foundations work. That is the way a lot of funding agencies work, and I think you have got to have that constraint in the system in order to get the quality that we are looking for.

Anyway, those ideas are not new, but they are some ideas as to how the progress can be made a little bit faster.

So that is one option, the obvious one, let's get more money in the system.

The second option to how to square this circle is to have fewer countries; to have larger compacts, but fewer countries. That is going to be difficult when you have got 34 countries that meet the test, and the problem, the real problem is that if 34 countries make the test and you decide you really only want 20 of them to qualify, you have got to introduce some implicit criteria to kick some countries out that are not rules of the game right now.

If you start doing that, if countries make the tests, but then are not chosen, then you begin to undermine the credibility of the whole system.

One of the great innovations of the MCA is this transparent open selection process and if we start to make too many exceptions, I think it will undermine the credibility of that process. So the Board has to make fewer exceptions.

If they are going to choose fewer countries, then I think they have to make much more explicit what criteria they are using to not select countries.

As I mentioned, last year, they were implicit, but quite consistent of not choosing democracies and I suspect that that will be the case this year.

I do not understand why we cannot just say it is in the interest of the United States that we are not going to fund non-democracies with this program, and just say it and just make it one of the criteria.

We have a hard hurdle for corruption. If we are not going to choose democracies, let's say it and say we have got a hard hurdle for democracy, the Voice on Accountability indicator or the Freedom House indicators, you would get the same result either way, and then there is no question. China, Vietnam, Bhutan, Mauritania, they are not in, Egypt, they are not in.

We might fund them in other ways, as we do with Egypt, but we don't play a cat-and-mouse game. And there are other ways that the Board can be more explicit, but I think if you are going to choose more countries, you have got to be clear on that.

The other way that you can choose fewer countries, given this constraint, again, is to not go to the lower middle income countries.

Given the constraints that I have just laid out about more countries, less money, and the focus of trying to be larger, it makes even less sense, in my view, to go to the lower middle income countries at this stage.

As I have said, I don't think it makes sense ever, but it certainly doesn't make sense this year and I would at least delay it a year until the MCC has more experience on its feet, is able to expand its programs a little more, and has more funding to move to that.

So that is the second option, is to choose fewer countries, and, frankly, if the MCA ends up being a \$2 billion organization, \$2.5 billion organization, it is going to have to make that choice.

We cannot pretend that this can be the same organization with the same criteria with a \$2 billion budget or a \$2.5 billion budget as it was supposed to be with a \$5 billion budget. It can't be the same organization. So you are going to have to make some of these choices.

The third choice that would be consistent with that would be to keep all of these countries, allow them in, lots of countries, but make the compacts much smaller. Then you give up the idea of being transformative.

The problem there is that, as I have mentioned, if the compacts are smaller, you lose the incentive effects and countries are not going to want--they are not going to have the incentive to make these hurdles. They are not going to have the incentives, once they do make the hurdles, to go through all the problems of putting together a compact and setting up a project management unit and spending all the time and effort on that.

If the money isn't there, if the money is much smaller, you are going to lose that incentive effect. So my guess is that if you go with more countries and keep the budget smaller, as the first few have been, that over time, it is going to lose its innovation, it is going to lose its incentive effect, and I think it is going to raise the question of why we have a separate organization, the MCC, running a program which is just sort of a mid-level aid program, and I think it will raise very fundamental questions about why we have a separate entity running the organization.

I hope that we are not there yet. We are all hopeful that this new chapter that starts next week with the MCC is a good chapter, where that, over the next year, we can make progress and we can show definitively to Congress and to the American people why this program exists and why it is important and how the U.S. can get back to the forefront of development assistance.

We are not there yet, but I think over the next year, there is a good chance that we can get there.