

Congress of the United States
Washington, DC 20515

December 13, 2011

Honorable Daniel Yohannes
Chief Executive Officer
Millennium Challenge Corporation
875 Fifteenth Street, NW
Washington, DC 20005

Dear Mr. Yohannes:

As the Board gathers this week to select countries for compact development, we write to urge your endorsement of a second compact for Cape Verde.

Cape Verde was named eligible for a second compact in 2009, based on meeting the MCC indicators as well as on its performance in the first compact. As a result of the first compact and the incentive structures for continued partnership, Cape Verde increased its immunization rates from 69% to 97%, reduced average business start-up time from 52 days to less than one day, created a transparent e-procurement system, and put into place a new procurement law modeled on international standards. The country also succeeded in creating its first private credit bureau, approving a new microfinance law that will increase access to credit, and controlling an infestation that prevented agricultural exports from Santo Antao – which led to the official lifting of a longstanding embargo. By all accounts, Cape Verde has been a strong partner during implementation and compact development, and is making substantial and continuing contributions in support of a second compact.

While the proposed new compact with Cape Verde is small by MCC standards, it will have an enormous impact. First, it would allow Cape Verde to expand and intensify the results of the first compact by addressing key remaining obstacles to the country's development. Improving the delivery of water and sanitation services and resolving disputes over land rights would build on previous efforts to increase agricultural productivity and to strengthen the overall investment climate. Second, it would send an important message to other countries that it is their own hard work, political commitment and financial contributions – not their size or strategic importance – that will be the determining factors in their path to development and their likelihood of winning a second compact.

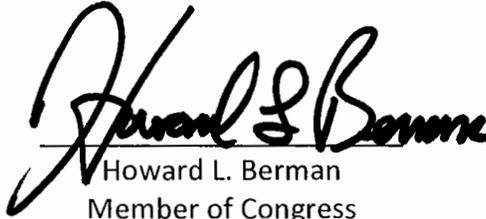
For these reasons, during markup of the FY 2012 State Department authorization bill, the Committee adopted an amendment expressing the sense of Congress that “a second compact with the MCC would allow Cape Verde to build on the success of its first compact, accelerate economic growth, raise incentives in other countries to maintain high levels of performance on MCC programs, and exemplify the results-based approach to foreign assistance.”

We urge you to approve a second compact for Cape Verde in FY 2012, and we respectfully request that you share our views with the rest of the MCC Board.

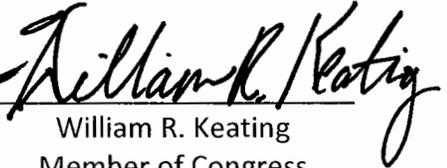
Sincerely,



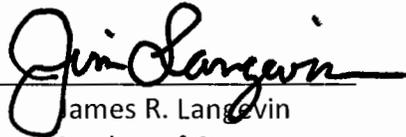
David N. Cicilline
Member of Congress



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