

December 4, 2015

The Honorable Dana J. Hyde  
Chief Executive Officer  
Millennium Challenge Corporation  
875 15th St NW  
Washington, DC 20005  
Attn: Ms. Beth Tritter

Dear Ms. Hyde:

On behalf of the Modernizing Foreign Assistance Network (MFAN), thank you for your continued leadership to advance effective U.S. foreign assistance and for the opportunity to provide feedback on the forthcoming five-year strategic plan of the Millennium Challenge Corporation (MCC).

Since its founding, the MCC has been on the cutting edge of the U.S. global development landscape, especially in the areas of strengthening the citizen-state compact and catalyzing inclusive growth. Continued innovation and leadership in these essential areas should be clearly reflected in the MCC's vision for moving forward.

Building on the broad endorsement of the Sustainable Development Goals in September, we urge the MCC to seize the moment by laying out a strategic plan for implementation of the global goals to promote inclusive growth, reduce inequality, and support effective, accountable, and inclusive local institutions in the countries where it works.

The MCC's leadership on this front should include strong public commitments in the five-year strategic plan in the following critical areas:

- **Promote country ownership** – Country ownership of development has been a fundamental aspect of the MCC's approach from the beginning. The MCC should commit to increase its use of country systems, including government, civil society, and private sector, to ensure the lasting value and sustainability of its programming. Innovative initiatives like the MCC's community-driven development programs in Indonesia and the Philippines should be expanded to additional countries, and lessons from these efforts should be incorporated into operations more broadly for greater impact and sustainability.
- **Catalyze domestic resource mobilization** – MCC should continue to respond to country interest in this area in both compacts and threshold programs, in conjunction with the U.S. commitment to double investment in DRM at the recent Financing for Development Conference in Addis Ababa.
- **Accountability to local citizens** – MCC should ensure it is consistently meeting its own standards for transparency, consultation, and learning and seek to further strengthen those policies and approaches. The MCC should deepen its support for the local supply, demand, and utilization of data – including countries' own budgets – and establish guidelines to give local partners and beneficiaries a greater role in the evaluation process.
- **Reduce inequality** – MCC should make a public commitment to design all of its projects with an eye towards reducing inequality, which, as the IMF has well documented, inhibits economic growth.

The MCC should ensure that initial analyses include an explicit focus on the poorest beneficiaries and an assessment of the impact on reducing inequality in its social analyses.

- **Further leadership on gender integration** – MCC has been a leader in developing policies and tools for gender and social analysis from compact consultation to implementation. It should deliver on the commitment to make its sex-disaggregated data public by the end of 2015, and ensure that it is driving gender integration consistently and comprehensively throughout all of its work, rigorously monitoring the impact on poverty reduction, growth, and inequality, and sharing lessons learned with the broader development community.

Thank you again for the opportunity to provide input into the MCC's five-year strategic plan. We look forward to continuing our work together and would welcome the opportunity to consult further with you and your team before finalizing the plan.

Sincerely,



George Ingram  
MFAN Co-Chair  
Senior Fellow, Brookings



Connie Veillette  
MFAN Co-Chair  
Senior Fellow, The Lugar Center



Carolyn Miles  
MFAN Co-Chair  
President & CEO, Save the Children

cc: Ms. Nancy Lee, Deputy Chief Executive Officer, Millennium Challenge Corporation