AMENDMENT TO H.R. 2583

OFFERED BY MR. CICILLINE OF RHODE ISLAND AND MR. KEATING OF MASSACHUSETTS

(Foreign Relations Authorization Act, Fiscal Year 2012)

At the appropriate place in title IV, insert the following:

1 **SEC. ___. SENSE OF CONGRESS REGARDING THE MILLEN-**
2 **NIUM CHALLENGE CORPORATION.**

3 (a) FINDINGS.—Congress finds the following:

4 (1) The Millennium Challenge Corporation
5 (MCC) provides access to financial services and
6 helps create sustainability for financial institutions
7 in Cape Verde, both of which are critical components
8 to that country's economic growth.

9 (2) The MCC strategy in Cape Verde, a devel-
10 oping nation in which 30 percent of its citizens live
11 below the poverty level, focuses on microfinance de-
12 velopment and improved access to credit for farmers.

13 (3) The MCC Compact with Cape Verde con-
14 tributed to e-government service by investing in soft-
15 ware, equipment, and technical assistance. As a re-
16 sult, the number of days it takes to start a business
17 has decreased from an average of 52 days in 2007,
18 to less than one day to do so in 2010.

(4) Preliminary findings of the MCC Compact with Cape Verde indicate substantial results for farmers receiving assistance through the Agricultural Support Project. For example, following a year of very bad rains, farmers who did not receive MCC assistance experienced a drop in income of 88 percent, while farmers who did receive such assistance faced a decrease of only 18 percent.

(5) As a result of the MCC Compact with Cape Verde, the following outputs have been completed:

(A) The construction of 28 reservoirs.

(B) 549 farmers have received training in new technologies.

(C) Four participating microfinance institutions have issued $617,000 in rural agricultural loans to 209 farmers on agribusiness.

(D) Increased financial intermediation and competition in the government securities market and development of the private sector.

(E) Eight microfinance institutions have received technical assistance, and capacity-building in accounting, credit appraisal, delivery, collection, human resources management, and marketing.

1 (6) As a result of the MCC, Cape Verde is
2 launching its first private credit bureau.
3 (7) Because the compact with Cape Verde was
4 among the first MCC compacts approved, a number
5 of unanticipated issues arose regarding timing and
6 design that required rescoping of projects and revi-
7 sion of targets and indicators. Without the ability to
8 extend the compact beyond the 5-year limit, the
9 MCC was unable to provide full support for the ac-
10 tivities initially envisioned.
11 (b) SENSE OF CONGRESS.—It is the sense of Con-
12 gress that—
13 (1) Cape Verde has demonstrated a commit-
14 ment to transforming its economy and creating sus-
15 tainable growth, as well as an ability to effectively
16 utilize the assistance provided by the Millennium
17 Challenge Corporation (MCC); and
18 (2) a second compact with the MCC would
19 allow Cape Verde to build on the success of its first
20 compact, accelerate economic growth, raise incen-
21 tives in other countries to maintain high levels of
22 performance on MCC programs, and exemplify the
23 results-based approach to foreign assistance.