



Tanzania and Millennium Challenge Corporation (MCC): Combating Corruption

The United States and Tanzania have signed an agreement for up to \$11.15 million in Millennium Challenge Corporation (MCC) Threshold Program assistance to initiate a multi-sectoral attack on corruption in Tanzania.

Tanzania's Threshold Program is expected to span a two-year period and will enable Tanzania to enhance local capacity to fight corruption, strengthen the rule of law for good governance and increase oversight of public procurement.

Under former President Benjamin Mkapa, the Government of Tanzania established a positive track record in its efforts to address corruption and was reported by the World Bank as the only African country having "significantly improved" in three governance categories during the period 1996-2004. Recently-elected President Jakaya Mrisho Kikwete made a public commitment in December to continue to fight what he called the "war on corruption." MCC looks forward to the implementation of this program which, if successful, will significantly advance the progress Tanzania is making in its fight against corruption.

Threshold Program Overview

The Government of Tanzania has requested MCC assistance to fund four specific initiatives over the next 24 months, highlights of which are listed below:

Build the Nongovernmental Sector Monitoring Capacity:

- Train and mobilize civil society monitors at the national and local levels with an emphasis on enhancing the role of women in the process.
- Train journalists in investigative reporting.

Strengthen the Rule of Law for Good Governance:

- Train Commission for Human Rights and Good Governance Directors and staff as trainers of trainers in alternative dispute resolution skills.
- Train public prosecutors and magistrates on the use of existing anti-corruption laws to increase their skills in order to successfully prosecute and convict offenders.

- Provide training and investigative equipment to strengthen and modernize the police investigation system in the areas of fraud and financial crimes.
- Establish a Legal Aid Network Secretariat and create a legal aid fund to provide grants to legal aid organizations to establish regional and district-level legal aid centers.

Establish a Financial Intelligence Unit:

- To receive, analyze, and disclose information by financial institutions to appropriate authorities about suspicious or unusual financial transactions.
- To track the number of cases investigated by authorized bodies, the number charged, number convicted and number of persons sentenced; and
- To compile statistics on frozen and confiscated funds and assets and provide these figures to the media to hold responsible parties accountable.

Curb Corruption in Public Procurement:

- Conduct procurement, contract, and performance audits of as many of the 31 government ministries and departments and 123 local government authorities as possible to ensure compliance with the law and provide a strong deterrent for corruption in public procurements.
- Strengthen the Public Procurement Regulatory Authority through staff training and expansion of information management systems to ensure that it is able to exercise its oversight and regulatory authorities properly.

Expected Results

In each of these areas, the Government of Tanzania has identified specific measures of success, from an increase in the number of local government authorities participating in public expenditure tracking, to an increase in the number of investigations that result in anti-corruption cases being presented in court.

Implementation:

The U.S. Agency for International Development played an active role in working with the Government of Tanzania to develop its Threshold Program and will oversee its implementation. In addition, this Program provides an opportunity for MCC to collaborate with the U.S. Treasury, the U.S. Department of Justice, government agencies, nongovernmental organizations and civil-society networks as key implementing partners.