



**MILLENNIUM
CHALLENGE
CORPORATION**

REDUCING POVERTY THROUGH GROWTH

CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

In accordance with section 699I(b)(3) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008, we wish to inform you of the plan to negotiate and sign a threshold program agreement with the Government of Niger. In addition to the enclosed notification, we have included a summary description of the threshold program.

The attached notification is being sent to the Congress on February 1, 2008. Members of MCC's staff are available to meet with you to discuss the planned program. If you or your staff would like to arrange a meeting, please contact Ellona Fritschie or Jennifer Key at (202) 521-3850.

Sincerely,

Matthew K. McLean
Vice President
Congressional and Public Affairs

Enclosure:
As stated

**MILLENNIUM CHALLENGE CORPORATION
CONGRESSIONAL NOTIFICATION**

February 1, 2008

PROGRAM: Threshold

APPROPRATIONS CATEGORY: FY 2007 Program Funds

OBLIGATION AMOUNT: \$23,066,914

In accordance with section 699I(b)(3) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008, this is to advise that the United States Agency for International Development (USAID), using funds allocated by the Millennium Challenge Corporation (MCC), will negotiate and sign an agreement with the Government of Niger for a program authorized under section 616 of the Millennium Challenge Act of 2003 (the "Threshold Program"). Threshold Program assistance will be given to Niger to improve its *Control of Corruption, Business Start-Up, Land Rights and Access* and *Girl's Primary Educations Completion Rate* indicators.

A description of Niger's program follows.

Threshold Program Summary

<u>Country:</u>	Niger
<u>Budget:</u>	\$23,066,914
<u>Fiscal Year Funding:</u>	2007
<u>Estimated Program Duration:</u>	3 years
<u>Indicator Focus:</u>	<u>Ruling Justly:</u> <i>Control of Corruption</i> <u>Investing In People:</u> <i>Girls' Primary Education Completion Rate</i> <u>Economic Freedom:</u> <i>Business Start-Up, Land Rights and Access</i>

Principal Objectives:

The objective of the Niger threshold program is to improve performance on the *Control of Corruption, Business Start-Up, Land Rights and Access* and *Girls' Primary Education Completion Rate* indicators.

The objective of Component 1 of the Niger threshold program is to reduce public corruption, with an emphasis on the health and education sectors, by strengthening the legal framework, improving public procurement systems and supporting the

anticorruption efforts of civil society and the media. Under this component, Niger will build its investigative capacity through increased, professional audits of public sector activities while improving its law enforcement capabilities. Component 1 will also support public procurement audits and investigative journalism training.

Component 2 of the program will focus on streamlining the process of starting a business and obtaining access to land. The cost for starting a business in Niger remains high, and the proposed reforms will facilitate the processes of starting a business. The Program will provide technical assistance for the development and implementation of these largely administrative reforms.

With regard to access to land, most landowners only have provisional titles, and the procedures for issuing land titles are time-consuming and costly. Reforms envisaged under the program are intended to remove these bottlenecks, with a focus on urban centers and some rural areas. The program will seek to implement rural land access activities as a pilot program to ensure that vulnerable groups are not negatively impacted by the new procedures.

Under Component 3, the program will seek to improve girls' primary education completion rates. The program will support Niger's 10-Year Educational Development Program (PDDE) through interventions directed at the supply-side and the demand-side of girls' primary education. The primary activity to be undertaken under this component is the construction of up to two hundred "girl-friendly" classrooms that would accommodate one or several grades each, depending on the requirements of a given community. Component 3 will also support a number of activities directed at increasing demand for education, including targeted public awareness campaigns and the establishment of methods to motivate and retain students, especially girls.

The program also includes a program impact evaluation for Components 1, 2, and 3. As is customary of impact evaluations at MCC, an independent entity will disaggregate and measure the impact of MCC-supported interventions if feasible. As in Burkina Faso, MCC will randomize school treatment and control groups in order to assess the increase in primary school attendance and completion rates. The land reform and business registration pilot program in Component 2 will use a rigorous evaluation methodology to assess the impacts of the administrative reforms. By evaluating this component, the Government of Niger will be better equipped to decide to expand the program or redesign it. Lastly, the audit reform program in Component 1 will be evaluated using a rigorous evaluation methodology and is an opportunity for MCC to lead the practice of applying impact evaluation methodologies to governance reform programs. The evaluation will identify if the increased probability of audits improves procurement practices and the quality of tenders.

Background:

Niger, selected by MCC for Threshold Program eligibility in November 2006, is among the most impoverished countries in the world. Landlocked and largely dependent on

subsistence agriculture, Niger ranks last on the United Nations Development Programme (UNDP) Human Development Index.

However, some significant progress has been evident in Niger, especially in the political sphere. Niger is a moderate, secular democracy. Following a military coup in 1999, Niger quickly adopted a new constitution providing for a French style semi-presidential system. Later that year, Niger held elections that were considered free and fair by the international community. In 2004, Niger conducted elections at the municipal, legislative and presidential levels that were again judged free and fair.

In June 2007, then-Prime Minister Hama Amadou resigned after he faced allegations that he failed to cooperate with an investigation into a scandal that led to the arrests of two senior Government of Niger officials in October 2006, and was censured by Niger's National Assembly.

Since February 2007, the Government of Niger has been contending with the "Second Tuareg Rebellion," which has affected areas in the north, especially those engaged in uranium mining. The Government of Niger publicly considers the National Movement for Justice (MNJ), which has led the insurgency, to be bandits and has refused to recognize its political demands. The MNJ complains that the Government of Niger has failed to honor an earlier peace treaty, marginalized the Tuareg people and unfairly distributed Niger's resources.

Program Components

Component 1: Improve Control of Corruption

Strengthen the Legal Framework, Audits and Prosecutions:

- Establish a national anti-corruption information system coordinated and managed by the National Statistics Institute in order to establish baseline data on corruption control, including perception-based and experience-based corruption statistics and information on enforcement and disciplinary measures.
- Build the capacity of approximately five hundred civil servants throughout the government in investigation and auditing corruption.
- Conduct a study on strengthening the current judicial framework with respect to combating corruption and support administrative and legislative reforms to implement the conclusions of the study.
- Build the administrative capacity of audit bodies and the judiciary to combat corruption.

Improve Transparency in Public Procurement:

- Enhance the Public Procurement Regulatory Agency's ability to conduct audits of procurements.
- Train members of public procurement commissions selected from the Public Procurement Regulatory Agency, the Ministries of Education and Health and senior officers of the public procurement directorate.

- Establish a website and a public procurement journal to publish tenders and criteria for selecting bids and to inform the public about the rules for public procurement.
- Draft and publicize all procurement schedules in the media.

Strengthen the Role of Civil Society Organizations and the Media.

- Train government officials in the area of public relations in order to publish inspection and audit reports in conformity with legal and human rights provisions.
- Train one hundred journalists on how to coordinate with civil society to investigate and process information in the fight against corruption.
- Provide support to disseminate information on laws and the rights of users of services in the education and health sectors.
- Launch an anticorruption media campaign.
- Support the inclusion of modules on corruption control in the outreach activities of other donors and civil society organizations active in the health and education sectors through existing coordination mechanisms.
- Establish a support and advisory mechanism to provide technical and financial support for civil society and media on corruption control, and set up civic action groups to develop anticorruption strategies within schools and health centers.

Component 2: Streamline Business Creation and Land Access Procedures

Facilitate Business Creation

- Establish the administrative, legal and regulatory structures required to implement business facilitation reforms.
- Complete a study on alternative sources of financing for institutions dependent on business registration fees (as the program proposes to eliminate these fees) and an additional study on supporting business start-up.
- Computerize the processes for starting a new business.
- Develop and distribute “how to” guides on new business creation.

Improve Land Rights and Access to Land

- Implement administrative and legal reforms to reduce the time and costs associated with land ownership transfer, land valuation, building permitting and notarization.
- Conduct a study on the institutional framework required to implement necessary reforms, with the recommendations to be implemented during the second year of the Program.
- Organize a public awareness campaign to publicize land reform activities.
- Conduct a study on how to integrate Land Commission titles into Niger’s land registry, with the recommendations to be implemented in the medium-term as part of Niger’s broader rural development strategy.

Component 3: Support Girls’ Primary Education

- Design and implement a large-scale communication strategy and two hundred local action plans to increase girls' primary school enrollment.
- Provide gender-sensitive training and student tutoring.
- Implement activities to motivate school-age girls to improve school performance, to include provision of school supplies, organized camps and student competitions.
- Support Associations of Mothers in Education to design and implement income-generating activities to support school financial sustainability.
- Provide incentive packages to female teachers to accept jobs in rural areas.
- Support the construction of up to two hundred "girl-friendly" classrooms.

Highlights of Expected Results of the Niger Threshold Program:

- Improve Niger's score on the World Bank Institute Control of Corruption index.
- Reduce the cost for starting business by 84 per cent.
- Reduce the number of days to start a business from 24 to 14 and the number of procedures required from 11 to 7.
- Reduce the number of days to register property from 49 to 27 and the registration fee from 14 per cent to 8.25 per cent.
- Increase girls' primary education completion rate thirteen points to 44 per cent.
- Increase enrollment in girls' primary education by 5 per cent.
- Reduce the disparity between girls' and boys' completion rates by six points to 10 points.

Implementing Partner: USAID will be the lead U.S. government agency implementing the program.