

Milestones

Selection of newly MCC-eligible Countries Signals Continued U.S. Commitment in Fight on Poverty

The MCC Board of Directors met on December 11, 2008 to select countries for the U.S. Government's MCC program. Colombia, Indonesia, and Zambia were named eligible for MCC compacts and Liberia is newly eligible for an MCC threshold program. These countries are now asked to consult with their citizens to determine priorities that will have the greatest impact on reducing poverty. Jordan, Malawi, Moldova, Philippines, and Senegal will continue developing their compacts, and Timor-Leste has been invited to submit a threshold program proposal.

\$6.7 billion in MCC grants are now available to implement antipoverty solutions that train farmers, title land, build roads, open schools, support business development, and work constructively toward meeting the Millennium Development Goals.

In this time of political transition in the U.S., the MCC Board's announcement is a strong signal of continued commitment to the principles of per-

U.S. Compact with Ghana Trains Rural Farmers



These women are carrying maize along a rural feeder road which borders Lake Volta in the Kwahu South District in Eastern Ghana. Maize production is critical for food security as a food crop for humans and a feed crop for livestock. To date, 600 farmer-based organizations have been identified in target districts where the MCC Compact is supporting training.

formance-based selection and results in foreign assistance. The importance and unique contribution of the MCC Board is also apparent. Comprised of both public and private sector members, the change

in administration means new U.S. Government leaders will join MCC's Board, while the private sector members help ensure institutional memory. Such con-
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Putting my Investigative Journalism Training to Work

by Jaffar Mjasiri



My first investigative journalism course was a pivotal point in my career. The two-week training funded through the Millennium Challenge Corporation threshold program, conducted by PACT-Tanzania in collaboration with USAID, exposed me to steps journalists should apply when pursuing stories of public interest.

With the training, I conducted a comprehensive audit of the government-run District Hospital in Pemba, including services and facilities. This entailed talking to patients living with HIV/AIDS, residents of the Wete district, hospital staff, government officials, and members of the opposition parties. The



training I received stressed that journalists should understand a story's repercussions and implications in order to exercise sound judgment prior to embarking on an investigation. My investigation focused on claims by some members of opposition parties that the medical services in Pemba were worsening and that there were no anti-retroviral drugs for HIV/AIDS patients. They also claimed that malaria medicine was unavailable in the hospital. I set out to investigate if donors' funds meant to support malaria and HIV projects in Pemba were not be-

ing utilized according to plan.

What I found was the opposite. The malaria and HIV/AIDS projects turned out to be successful. The investigation revealed that donors' funds were not being diverted or misused. Rather, it revealed that there was poor coordination between the central and local government in terms of accounting for donors' funds, which became a follow-up story of interest to the newspaper.

My story about my investigation in Pemba appeared in a 2007 pullout edition of *The African*, an independent Tanzanian newspaper. Thanks to the training I received from MCC, I was able to determine that there was no government corruption and informed my fellow Tanzanians of my findings.

Q & A: Burkina Faso's Prime Minister Tertius Zongo



Q: How has the Millennium Challenge Corporation's threshold program helped the people of Burkina Faso?

The girls' education threshold program, also known as "BRIGHT" Project (Burkinabe Response to Increase Girls' Chances to Succeed), funded by MCC has resulted in the construction of schools that were significantly needed in 132 villages across 10 provinces. As a result, 17,164 Burkinabe children, including 9282 girls and 7882 boys can now attend school. Attendance is satisfactory, with girls' dropout rate remaining below 2%, and retention rate at 84.4% during 2006-2008 academic years.

Q: Why was girl's education program so important to the economic development of Burkina Faso?

We cannot help a country develop

while leaving out a significant margin of its population. The fight for children's education and literacy is also a fight for growth and poverty reduction. Poverty is one of



the barriers to enrollment and retention of girls and women in the education system. The projects to reduce poverty are essential to ensure equitable education of quality with lasting results. According to the 2006 General Population Census, women represent 52% of the population in Burkina Faso. As parts of the overall economy, they are also an important productive force. Experience shows that women who can read and write are bet-

ter at managing their micro-credit activities, and are more likely to participate in the household decision-making and have a better understanding of hygiene and health problems. The introduction of income-generating activities has had positive effects.

Q: Have you met any beneficiaries of the threshold program? If so, what does the grant mean to them?

At the official BRIGHT schools handover ceremony in Katchari on October 31, the students' representative reinforced to the parents, their slogan "zero girls at home." As educated mothers, they have made a promise to fight for their children to go to school. These two forms of commitments are quite symbolic of awareness by the beneficiaries of the importance of this girls education program.

Consultation and Donor Coordination in Malawi improves the Poverty Reduction Process



Children like these in Malawi will benefit from improved consultation and donor coordination. The MCA Malawi Core Team collaborated with the World Bank, African Development Bank, and DFID to develop their constraints analysis that will help make poverty reduction more effective.



The MCA Malawi team is using the improved MCC compact development process to help spark a constructive debate about the country's development agenda, building off prior consultations such as the Malawi PRSP, and by better coordinating donor support.

In May 2008, the MCA Malawi team conducted a constraints analysis to identify the most significant obstacles to long-term economic growth across the national economy in Malawi. During this time, the World Bank, African Development Bank, and DFID were also exploring conducting a "growth diagnostic" which required similar information as the constraints analysis. The MCA Malawi team and MCC were able to coordinate with these donors on an approach

that focused on sharing and obtaining information for the constraints analysis and on the additional work needed for the World Bank's Country Economic Memorandum. This coordination helped avoid duplication and was a more efficient use of local and donor resources. The MCA Malawi team then convened a National Stakeholder's Conference to share the constraints analysis with over 100 participants, including government, traditional authorities, the private sector, the donor community, and civil society. Those present recognized that the process of better coordination and the conference itself helped promote transparency around the compact decision-making process and that the analysis was accurate and insightful.

The MCA Malawi team will con-

tinue the extensive consultative process by targeting rural areas and involving other stakeholders as they define projects that will be included in the Concept Papers. By rigorously assessing the constraints to growth, by working with a broad cross section of stakeholders, and by coordinating donor support, Malawi is strengthening its role in this process – "country ownership" so often referred to in the development community - and enhancing its ability to design programs that reflect national priorities and have a higher likelihood of effectively reducing poverty in a sustainable manner.



Learn more on
www.mcc.gov

Benin Achieving Reforms that Provide Access to Justice



Although independent since 1960, Benin has continued using the colonial-era Civil, Commercial, Social and Administrative Codes of Procedure which have been a constraint to effective operation of the judiciary. On October 17, 2008, the National Assembly passed modernized codes, thereby moving MCA-Benin closer to the commencement of construction activities of nine new courthouses for the \$34 million Access to Justice Project of the MCA-Benin Compact. MCC funds



supported extensive redrafting of these legal texts. As stated by Richard Kpenou, the MCA-Benin project manager, "Without MCC support, these laws would have continued to languish and remain untouched. The revised Codes are now in line with recommended African business law practices." As a result of this law, individuals and companies will benefit from streamlined procedures that will save time and money and promote investments.

"Our Government is aggressively striving to meet the benchmarks set by the MCC and other donor agencies. We try to meet the various thresholds because it means more assistance for development; but more so, we strive to meet these benchmarks because it is what our people deserve. These are our own priorities because if we cannot achieve them, stability and prosperity will remain fleeting dreams."

*– Ellen Johnson Sirleaf,
President of Liberia,
at the White House Summit on
International Development:
Sustaining the New Era
October 21, 2008*

Albania's new online procurement system increases competition, saves time and money



For Alba Medic, a pharmaceutical company in business since 2003, government contracts account for 60 to 70 percent of the company's total sales. In terms of time and money, Albania's new Electronic Procurement System (EPS) is having a positive effect on the company's bottom line. According to Artan Iseraj, marketing and logistics manager at Alba Medic, "Online bidding is cost effective."

Established through Albania's MCC Threshold Program administered by the United States Agency for International Development (USAID), EPS is creating a modern and convenient system for doing business in Albania.

Before EPS, businesses like Alba Medic had limited access to tendering information and the process was sus-

ceptible to unfair competition. With the introduction of technology coupled with an overhaul in legislation, Albania's public procurement system can now offer businesses and other economic operators a fighting chance to compete for government contracts without the costs traditionally associated with them.

"Our company can now re-use costly notarized documents for multiple bids, the bid preparation time is halved, and the hassle of delivering documents in person has disappeared," explains Iseraj. "Moreover, when I submit the offer online, I have the guarantee that no document enclosed in it may vanish."

With the integrity of the process improved, more businesses are competing in e-bids. In fact, the number of operators participating in e-tenders has more

than doubled compared to manual, or paper, procurements. With this increased competition, the government hopes to create a more dynamic and prosperous business environment for Albania.

Through the end of fiscal year 2008, use of EPS produced over 70 successful awards worth around \$29 million. Whereas paper bidding involved an average of 2.5 bidders, EPS averages 6 bidders, making the process more competitive. In addition, the Public Procurement Authority of Albania, working closely with the Threshold Program, has trained over 1,400 users in this new technology.

"If you were to ask our competitors, they would probably mention us as the 'new kid on the procurement block.'" says Iseraj. "And that's fine with us."

President of Guyana Visits MCC



MCC CEO Ambassador John Danilovich meets with President of Guyana Bharrat Jagdeo. Guyana's two-year, \$6.6 million MCC threshold program focuses on improving the country's performance on fiscal policy.

Immunization Program Management Training Increases Health Awareness



Indonesia's MCC Threshold Program has successfully trained over 9,300 health officials in immunization program management, supportive supervision, and vaccine supply management. Equipped with improved health care awareness, officials

are effectively monitoring childhood diphtheria, pertussis, tetanus, and measles vaccination rates and helping several million children throughout Indonesia live healthy lives by encouraging accurate, safe, and efficient immunizations.

New MCC Country Selection Signals Commitment to Poverty

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continuity is part of MCC's commitment to the principle of country ownership as well. Because countries themselves are leading their development through this process, they are deepening their capacity to sustain their programs beyond the

life of an MCC grant. To avoid unfinished projects, the predictability of such assistance that delivers up-front funding is an important aspect of this approach to U.S. foreign aid.

As MCC turns five this year, adherence to these principles—performance-

Results In Brief

Jordan



The Jordan Women's Knowledge Network, launched in October 2008 with MCC Threshold support, is empowering female municipal council members nationwide by providing a platform and forum for them to share experiences.

Uganda



Uganda's small grants program, made possible with MCC Threshold funding, has awarded ten small grants to civil society and private sector organizations across the country. The grants are intended to increase civil society's part in the fight against corruption in public spending, health, and education.

Moldova



Made possible with MCC Threshold funding, renovations of Moldova's Ungheni District Court's case management systems have been completed, including the provisions of over 800 computers to this and other pilot courts, improving transparency and efficiency in the judiciary.

based selection, on-the-ground results, the MCC Board's public-private composition, country ownership, and aid predictability—will guide these partnerships forward in smart ways to continue making a difference in the lives of the poor.

Poverty Reduction Program helps Promote Higher-Value Products in El Salvador



For farmer Jorge Alberto Solas, providing for his family is his top priority. Jorge, pictured to the right with one of his children, is one of the first beneficiaries of an MCC-funded pilot project working to promote high-value fruit tree crops in the northwest region of Metapan, El Salvador.

Jorge had always aspired to transition his family's production from corn and other basic grains to higher-value tangerine trees but was never able to make the leap due to financial and technical constraints. Now Jorge and his family are able to move forward with their plans of diversified production on their small parcel of land as beneficiaries of the MCC-funded pilot project, receiving tangerine trees and the technical assistance necessary for ensuring a successful transition.

On September 19, 2008, FOMILENIO, the MCA entity in charge of



Jorge Alberto Solas is one of the first beneficiaries of a MCC-funded pilot project in El Salvador. The pilot projects work to promote high-value fruit tree crops.

implementing the \$461 million compact, initialized the first pilot project for technical assistance under the Productive Development project. FOMILENIO is supervising and administering the grant implemented by the Institute for Inter-

American Cooperation for Agriculture (IICA) who is providing valuable technical assistance, seedlings, and marketing strategies for beneficiaries across the northern zone, including 70 families in Jorge's hometown of Metapan.

MCC-PEPFAR Partnership Will Make Childbirth Safer, Rehabilitate Health Centers, Outpatient Facilities



In Lesotho, MCC has committed \$122 million over a five-year period to fund health infrastructure renovations and strengthen existing health systems. This includes rehabilitation of up to 150 existing health centers and 14 district hospital out-patient departments. By providing adequate conditions for the provision of essential services in health centers, MCC is helping contribute to safer deliveries and prevention of mother-to-child transmission of HIV. PEPFAR resi-

dent coordinator Katie Crowley sees this MCC program as complementing PEPFAR's enhanced focus on prevention. She is very hopeful that the renovated facilities will mean more women deliver at health clinics, and more mothers and babies take HIV prophylaxis appropriately. In a country where 24 percent of the adult population is estimated to be HIV positive, the PEPFAR/MCC synergy will result in fewer babies being born with HIV, and more children of HIV-positive mothers living long and healthy lives.



A mother and children awaiting treatment in a rural mountain clinic in Lesotho

First Four MCC Threshold Programs Conclude

Results evident as programs target corruption, press freedom, education

The end of 2008 marks the completion of the first four of MCC's threshold programs. Valued at nearly \$60 million in total, the four threshold agreements in Albania, Burkina Faso, Malawi, and Tanzania resulted in significant improvements in partner government practices to curb corruption, increase transparency and accountability, expand press freedom, and improve education. Implemented through partnership with USAID, the U.S. Department of the Treasury, and the U.S. Department of Justice, the threshold programs illustrate how inter-agency cooperation and coordination can facilitate international economic growth and sustainable social development.

MCC's two-year \$13.9 million threshold program in Albania focused on improving the country's public procurement process, improving business registration, and promoting fiscal transparency and accountability through improved tax administration. Albania's new enhanced procurement mechanisms in both the public and private sector are making the process of doing business with the government more transparent. Business registrations through the new National Registration Center system in one year number 18,000, more than double the average 7,357 per year.

Burkina Faso's two-year \$12.9 million agreement concentrated on increasing the primary education completion rates for girls. The program included the construction of 132 three room schools

in ten of the poorest provinces, teacher training, the construction of houses for children, and literacy education for the mothers of students. Throughout the 2007-2008 school year, more than 17,000 Burkinabe students have been enrolled in schools funded by MCC's threshold program.

In Malawi, the \$20.9 million program targeted corruption through the creation of effective legislation and strengthening the judiciary, supporting anti-corruption agencies, strengthening the independent media, and expanding civil society organization's oversight role.

Building the monitoring capacity of the nongovernmental sector, training independent journalists, strengthening the rule of law, and curbing corruption were the top priorities of Tanzania's \$11.15 million two-year threshold agreement. This program provided critical assistance to sustain Tanzania's anti-corruption reform movement. In the last quarter of 2007, a total of 633 corruption-related stories appeared. These reports have, in turn, led to formal investigations, administrative sanctions, and prosecutions.

As the successful graduation of both Tanzania and Burkina Faso to MCC compact countries this year illustrates, Threshold programs are valuable tools in improving governance and helping countries to qualify for large compact grants to promote poverty reduction through economic growth.



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Window to the Field: Jim Bednar in Ghana



Walking across this schoolyard, one clearly sees how our work has the potential to impact entire communities. Earlier, the Awutu-Efutu District Education Director led a ceremony commissioning the renovated Bawjiase Junior Secondary School in Ghana. This is one of over thirty schools in seven districts that has recently been rehabilitated with United States Government assistance through the Millennium Challenge Corporation (MCC). The lives of these young children have begun a positive transformation as they experience a better learning envi-

ronment—and enrollment is up as word travels about the improved classrooms. Parents are organizing to ensure the upkeep of the new school. The excitement in the community is everywhere.

The next day we headed out to Ghana's National Highway 1 (N1) where MCC is funding upgrading of a two-lane road to a six-lane highway. When complete, this highway will support the movement of Ghana's export-directed agriculture from farms to the Port of Tema and Accra's airport. When pineapples and mangoes sit in the back of a truck for the long three hours it now usually takes to travel the 14 kilometers, it wastes time and fuel and shortens produce shelf life. This is why eliminating the N1 bottleneck is a critical project that supports the transformation of Ghana's agriculture sector.

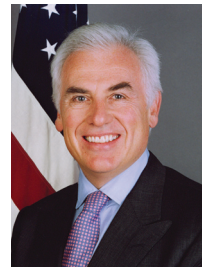
We can all proudly say our partnership is making a difference!

Jim Bednar is the MCC Resident Country Director in Ghana.

Making the World a Better Place and America's Place in the World Better

*by Ambassador John J. Danilovich
MCC Chief Executive Officer*

As our country and MCC transition to new leadership, development assistance must remain a U.S. foreign policy resource. Helping the world's poor is an



American value and necessary for our sustainable security.

American generosity abroad achieves results. Ask a mother whose son was born HIV-free because of PEPFAR. Ask the child who escaped malaria through the President's Malaria Initiative. Ask a student educated through an USAID program. Ask the farmer whose crops command higher prices because of her country's MCC grant.

How the U.S. gives aid also creates a natural byproduct: It works to enhance our reputation as friends in the fight against poverty. MCC is delivering aid with high expectations, and partners are reforming their policies and implementing their programs to help the poor. Results are multiplying, and programs will proceed uninterrupted into the next administration. These results illustrate the efficient use of American tax dollars abroad. MCC deserves continued support in 2009 and beyond.

MCC is a demonstration of "smart power" not only to make the world a better place but also to make America's place in the world better. Let us build on this to alleviate poverty, create prosperity, and bolster stability to benefit us all.



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