

First Four MCC Threshold Programs Conclude

Results evident as U.S. support addresses corruption, press freedom, education

The completion of the Millennium Challenge Corporation's first four "threshold" programs, valued at nearly \$60 million, has resulted in significant improvements in partner government practices to increase government transparency, efficiency, and investments in people. Programs in Albania, Burkina Faso, Malawi, and Tanzania are scheduled to conclude by the end of 2008. MCC's threshold program is designed to support the reform efforts of countries as they address specific areas of policy weakness identified by the MCC selection indicators. By improving a low indicator score, a country may then improve its chances to become eligible for a large-scale MCC grant to reduce poverty through economic growth with the MCC. Positive results are already evident as these programs come to a close in addressing issues such as corruption, press freedom, education and improved government transparency and accountability.

Since its inception in 2004, MCC has funded threshold program agreements worth over \$440 million with 19 partner countries in Africa, South America, Europe, Asia and the Pacific. By the end of 2008, MCC will mark the completion of the first four of these groundbreaking programs, which are implemented in partnership with USAID, the Department of the Treasury, and the Department of Justice. These programs are prime examples of how U.S. taxpayer funds are maximized through the successful cooperation and coordination of these agencies. Below are summaries of some of the partnerships that have already made a significant positive impact in our partner countries.

Albania



The two-year, \$13.9 million MCC threshold program with Albania focused on reducing corruption by reforming the country's public procurement process, improving business registration, and strengthening tax administration to promote fiscal transparency and accountability.

- ★ A new electronic procurement system has so far yielded 62 electronic awards totaling \$25 million, or 5.3 percent of total procurement value in 2008 through September 19. This system can now generate accurate statistics related to public procurements.
- ★ The new Public Procurement Advocate's Office was created as a check on government procurements, and in its third quarter of operation it received over 80 complaints lodged by bidders. The improved procurement mechanisms are making doing business with the government more transparent and fair.
- ★ Business registration reforms have also become simpler and more transparent since the beginning of the program. Albania enacted and is implementing legislation for one-stop shops for business registration, reducing the time to register a business to one day.
- ★ The National Registration Center processed over 65,000 applications, including almost 17,000 new registrations, since opening its Tirana headquarters in September 2007, and has registered 55 percent more businesses during the same five-month period in 2008 than it did in 2007.

Burkina Faso



Burkina Faso's two-year, \$12.9 million MCC threshold program focused on improving girls' primary education completion rates. The program included the construction of 132 schools in ten of the poorest provinces for grades 1 through 3, teacher training, the provision of take-home rations to girls who maintain a 90 percent school attendance rate, literacy training for mothers and other interventions designed to improve the access and quality of education.

- ★ Nearly 16,700 Burkinabe students – of whom 55 percent are girls -- are now enjoying spacious and well-ventilated classrooms, new latrines, easy access to clean, potable water, comfortable desks, school manuals, canteens and take-home rations.
- ★ Students are also benefitting from the regular presence of their teachers because their accommodations are on the school premises.

Malawi



Malawi's \$20.9 million threshold program focused on preventing corruption, enhancing oversight functions, and building enforcement and deterrence capacity. The purpose of the program was to create more effective legislative and judicial branches of government, provide support for lead anti-corruption agencies, strengthen coverage by independent media, and expand and intensify the work of civil society organizations.

- ★ A financial intelligence unit has been established and is providing a safeguard against corruption by enabling the government of Malawi to track suspicious movements of money.

- ★ The establishment of the Media Council in Malawi has enhanced local press freedom as well as promoted journalistic ethics and professional standards. The program also trained journalists to report on and analyze instances of corruption, resulting in numerous stories exposing waste and public corruption.
- ★ The program has also effectively strengthened oversight and increased transparency by improving audit capabilities, establishing a system to monitor and evaluate public sector projects and increasing fiscal management capacity. In addition, MCC support for the operation of Malawi's National Assembly enabled all 13 standing committees to convene for the first time in the Assembly's history. The ability of these committees to exert effective parliamentary oversight is critical to executive branch accountability and the sustainability of anti-corruption efforts.

Tanzania



Tanzania's two-year, \$11.2 million threshold program focused on building the monitoring capacity of the nongovernmental sector, training journalists, strengthening the rule of law for good governance, establishing a financial intelligence unit and curbing corruption in public procurement.

- ★ The program has provided critical assistance to sustain Tanzania's anti-corruption reform movement. Seventy-seven districts in Tanzania have initiated public expenditure tracking systems, and 360 villages now have public expenditure tracking notice boards where citizens can see income and expenditure information for their local areas.
- ★ Over 230 personnel from the Prevention and Combating of Corruption Bureau have been trained on using information technology to build case management systems under the program. This enables this key anti-corruption agency to build cases that lead to successful prosecutions.
- ★ The Tanzania Public Procurement Regulatory Authority has finalized and published 40 audits of the procurement practices of major government of Tanzania entities in a series of newspaper supplements. The audits determined whether procuring entities were following the law and their own procedures, and their publication has allowed citizens to see clearly how the government is spending tax revenue.
- ★ Over 150 prosecutors recently hired by the Department of Public Prosecution were given comprehensive pre-service training on writing legal opinions and courtroom advocacy, inaugurating Tanzania's national prosecution service and its civilianization of prosecution program. The professionalization of the prosecutorial corps will now help lead to more effective prosecutions.