



El Salvador's Commitment to Transparency, Accountability and Country Ownership

The Millennium Challenge Corporation's model is based on a set of core principles essential for development to be effective, including country ownership, a focus on results and transparency. MCC's partners take this principle seriously, including FOMILENIO, the organization implementing the five-year, \$461 million compact with El Salvador. FOMILENIO has demonstrated a commitment to these principles, from compact design through implementation and closeout.

Public procurements

FOMILENIO went beyond MCC requirements during the procurement for compact-related contracts. It publicly opened bids and shared the winning information with beneficiaries in a series of town-hall meetings. This process helped build trust and respect within the communities of the Northern Zone.

"We have never seen a program implemented with this much transparency—not only are the bids open to the public, but the community owns the projects," said Héctor Lara, the mayor of El Paisnal. "This is how development should always work."

Ongoing consultations

Over the past six years, more than 10,000 people participated in consultations about the compact. These consultations have taken place in El Salvador, Los Angeles, New York, and Washington in an effort to involve American businesses and the Salvadoran diaspora—many of whom are from the Northern Zone, where most of the compact activities took place. The ongoing consultations have allowed Salvadorans to feel a sense of ownership of the compact. As a result, many are investing in the Northern Zone.



FOMILENIO organized consultations and accountability sessions throughout compact development and implementation.

Several Salvadorans living in the United States have invested in the Northern Zone and plan to move back to the region. In 1986, Dimas Escobar moved from his hometown in Morazán to New York, where he works as a wholesale seafood distributor. Dimas now owns several successful businesses, including a fish market and restaurant in New York and a small dairy farm in El Salvador.

After learning about FOMILENIO and MCC's investments at an outreach event in New York, Escobar travelled to the Northern Zone to gauge the potential for new investments. Soon after his visit, he purchased land to build a small shopping center. He also invested further in his farm to boost quality and production to meet the demands of the region's reinvigorated dairy market.

Country ownership

The El Salvador Compact created examples of true community ownership, which will help ensure the projects are maintained and provide opportunities for continued economic growth.

For example, the compact required 10 percent of water and sanitation project costs to be paid in cash by local municipalities and 10 percent to be paid by beneficiary communities in cash or in kind. The municipalities and beneficiaries initially paid with cash, land or labor, based on the estimated cost of the project; once the actual cost of the project was obtained, the counterpart contribution was adjusted.

The municipalities' cash contributions were paid directly to FOMILENIO, which used the contributions to fund certain projects before the bidding process for the projects could begin. This approach also ensured local authorities and beneficiaries felt ownership of project.

Transparency and Aid Effectiveness

The 4th High Level Forum on Aid Effectiveness in Busan, South Korea, in 2011 provided an important opportunity to elevate the international dialogue on the effective delivery of foreign assistance. MCC's approach to development effectiveness stems from country-driven strategies to reform policies and build stronger institutions that propel a comprehensive continuum of results from policy reforms and initial inputs through impacts.

MCC publishes its economic analyses that inform investment decisions, each compact's five-year budget, expected results, data on ongoing program progress, and findings of independent impact evaluations. MCC also expects its partners to act transparently, empowering citizens to hold governments and donors accountable for how development resources are used and what results they achieve.