



**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 sign a threshold program agreement with the Government of Kyrgyz Republic. 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 11, 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 11, 2008

PROGRAM:	Threshold
APPROPRIATIONS CATEGORY:	FY 2007 Program Funds
OBLIGATION AMOUNT:	\$15,994,000

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 sign an agreement with the Government of the Kyrgyz Republic for a program authorized under section 616 of the Millennium Challenge Act of 2003 (the "Threshold Program"). Threshold Program assistance will be given to the Kyrgyz Republic to improve its *Control of Corruption* and *Rule of Law* indicators in the Ruling Justly category.

A description of the program follows.

Threshold Program Summary

<u>Country:</u>	Kyrgyz Republic
<u>Budget:</u>	\$15,994,000
<u>Fiscal Year Funding:</u>	2007
<u>Estimated Program Duration:</u>	2 years
<u>Indicator Focus:</u>	Control of Corruption Rule of Law
<u>Principal Objectives:</u>	Strengthen judicial, law enforcement, and criminal law systems

Background:

The program will support the Government of the Kyrgyz Republic's efforts to fight corruption and improve the rule of law through judicial, criminal justice, and law enforcement reforms. The program reflects the key role civil society plays in the government's reform efforts and will help the Government of the Kyrgyz Republic create a civilian oversight board for the police and implement a broad anti-corruption public education program. The program has three primary components.

Program Components – Objectives and Activities:

Component 1. Judicial Reform.

To increase the independence and effectiveness of — and decrease corruption in — the judicial system, the program focuses on judicial reform. The program is designed to strengthen the rule of law and decrease corruption by improving the judicial personnel system and internal judicial management, streamlining the legal framework for handling commercial cases, and increasing public access to and management of judicial information. Critical to these efforts is improving the personnel system, the judicial selection process and disciplinary system, judicial budgeting, the enforcement of judgments, and court automation.

Activities:

1. Provide technical assistance to help implement new laws on judicial selection and dismissal, including establishment of the new National Council of Justice Affairs, which will carry out these functions.
2. Provide technical assistance to help establish the new Judicial Council.
3. Conduct a functional analysis of the judicial system and assist in implementing recommendations to optimize the court personnel system.
4. Assist the Judicial Council in budget planning and formulation
5. Help establish a system to implement adequate and transparent disciplinary procedures for judges through the Judicial Council.
6. Improve the system of judicial training with oversight from the Judicial Council.
7. Improve the system of citizen complaints about the judiciary through the Judicial Council, and help it regularly publish data on the status of disciplinary complaints.
8. Provide technical assistance to improve implementation of amended and improved commercial laws.
9. Strengthen the enforcement of judgments.
10. Expand the Court Information Management System (CIMS) to at least 16 additional courts to improve the transparency and effectiveness of the courts, and train judges and court personnel on the use of the system.
11. Enhance the system for publishing court decisions and providing access to open court proceedings.

Component 2. Law Enforcement Reform.

To develop a more functional, effective, and trusted police force, the program will reduce public corruption within law enforcement by improving personnel selection, management and internal investigation capacities, as well as enhancing civilian monitoring of police activities. Citizens of the Kyrgyz Republic see reform in this area as a high priority, and the program will assist in restructuring and reforming the Ministry of Interior to develop transparent hiring and vetting procedures, create an Internal Affairs Service to investigate police misconduct, and establish a Civilian Review Board as a check on the police.

Activities:

1. Improve police recruitment and evaluation, and implement an ethics code system for law enforcement personnel by establishing a personnel management system, to include vetting of officers and merit-based selection and performance evaluations.
2. Establish an internal affairs unit within the Ministry of Interior to investigate and impose sanctions against police misconduct, including corruption.
3. Establish standard operating procedures within the Ministry of Interior, with public input, to promote consistent application of the law by police.
4. Improve financial disclosure enforcement systems within the Ministry of Interior.
5. Improve police complaint processes.
6. Establish a civilian review board to oversee police conduct.
7. Strengthen the investigative capacities and abilities of the police by providing training and equipment.

Component 3. Criminal Justice Reform. The Government of the Kyrgyz Republic will seek to reduce public corruption in the criminal justice sector by strengthening the legal framework, providing training for prosecutors and judges, improving financial disclosure mechanisms, implementing an effective witness protection system and special anti-money laundering unit, and educating the public about anti-corruption measures. This component will accelerate the Kyrgyz Republic's ambitious criminal law reforms to make the criminal justice system more transparent and to provide a greater balance of powers between prosecutors and the judiciary.

Activities:

1. Revise the criminal procedure code to reflect the greater balance of powers between prosecutors and the judiciary.
2. Improve the system for government declaration of assets and monitoring of expenses.
3. Improve the capacity of a vetted unit to combat money laundering investigate financial crimes.
4. Develop an effective witness security program.
5. Evaluate the role of elder courts in handling minor crimes.
6. Improve the curriculum and capabilities of the prosecutor training center with regard to new criminal legislation.
7. Enhance the prosecutor ethics code and its effective implementation, including developing enforcement provisions and providing training.
8. Develop a system, including curricula, to integrate anti-corruption messages into the educational system.
9. Develop, with the involvement of mass media, a public awareness campaign on the detection, investigation, and prosecution of corruption.

Highlights of Expected Results of the Program:

1. Improve performance on the Rule of Law indicator (Source: Freedom House Countries at the Crossroads).
2. Improve performance on the Reliability of Police Services indicator (Source: Global Competitiveness Report).
3. Improve performance on the Pervasiveness of Money Laundering through Banks indicator (Source: Global Competitiveness Report).
4. Improve the Judicial Framework and Independence indicator (Source: Freedom House Nations in Transit).
5. Improve performance on Control of Corruption indicator (Source: World Bank Institute).

Implementing Partners: USAID will oversee overall implementation of the program on behalf of MCC. In coordination with USAID, the U.S. Department of Justice will oversee implementation of components 2 and 3.