

Millennium Challenge Corporation

Tanzania

Threshold Program

Final Status Report

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MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

Program Summary

Tanzania's threshold program focused on reducing corruption by increasing civil society engagement, strengthening the rule of law, and supporting institutional reforms. The Tanzania threshold program agreement was signed in May 2006 and concluded in December 2008. As the program administrator, USAID managed day-to-day program operations and oversaw the program implementers. The threshold program partnered with four government entities as well as several non-governmental organizations.

Three months after program completion, USAID provided MCC with a final report that summarizes program accomplishments. This report is primarily based on information provided by implementers and USAID program managers. An overview of the highlighted results is included below.¹

Objective #1: Civil Society Strengthening

Over 300 journalists were trained in investigative reporting and there is some evidence that these trainings led to an increase in corruption reporting.

Eighty-three public expenditure tracking committees comprised of citizens who would review local governments' budgetary decisions, were established across Tanzania. These committees have increased transparency and citizen involvement in the local budget process. Some instances of exposing wasteful spending or malfeasance were uncovered and corrective action was taken.

Objective #2: Improve Enforcement Systems

As a result of Threshold Program support and training, Tanzania's Prevention and Combating of Corruption Bureau, the primary law enforcement agency charged with fighting corruption, brought over 300 corruption cases to court during the threshold program and completed the investigations of five grand corruption cases, one of which led to a high profile prosecution.

Five model legal aid clinics were created to increase citizen's access to legal advice and help and served over 1,000 new clients during the program. The majority of these clinics are still in operation.

Objective #3: Strengthen Financial Monitoring

A Financial Intelligence Unit (FIU) was created to increase oversight of financial activities and ultimately reduce money laundering. Although the FIU was established, as planned, the effectiveness of institution relies on the

¹ Since MCC often supports ongoing reforms or supports interventions that build on existing endeavors, program results can be difficult to attribute to the Threshold Program in their entirety.

financial institutions willingness and ability to adequate file reports and other agencies to investigate and prosecute instances of suspicious activity.

Objective #4: Reduce Corruption in Public Procurement

40 procurement audits of major government ministries and agencies were conducted and publicly released by the Public Procurement Regulatory Authority. In 2007, a Threshold Program funded procurement audit of the country's power authority, TANESCO, revealed the improper influence of higher authorities in a major energy contract. The report prompted the Parliament of Tanzania to form a probe committee, which resulted in the resignation of the Prime Minister and two members of Cabinet in February 2008.