



COMPACT GOAL

Using the results from the growth diagnostic developed under the Partnership for Growth (PFG) initiative, the Government of Tanzania (GOT) finalized concept notes in April 2014. Based on due diligence of these proposed concept notes, the GOT and MCC signed a 609(g) agreement in November 2014 for \$9.78 million to further study, design and develop the compact program focused on increasing access to reliable electricity, strengthening utilities and utility management, helping Tanzania implement its ambitious plan to reform the energy sector, and catalyzing private sector investment. The compact program was presented to MCC's investment management committee in July, negotiated with the GOT in August and discussed by MCC's Board of Directors in September.



COMPACT AT A GLANCE

Constraints Analysis.....	09-13-2011
Eligibility Notification.....	12-19-2012
Concept Note Received.....	12-17-2013
Eligibility Notification.....	12-10-2013
Eligibility Notification.....	12-10-2014
CN on Intent to Negotiate.....	07-23-2015
MCC Board Reviews Compact.....	09-16-2015
Deferred Selection.....	12-16-2015
Compact development suspended.....	03-28-2016

Constraints Analysis	
09-13-2011	Tanzania completed an economic constraints analysis in FY 2011 under the Partnership for Growth (PFG) initiative, which highlighted several constraints to growth including limited access to affordable, reliable electricity and limited market access in key agricultural regions, among other concerns.
Eligibility Notification	
12-19-2012	MCC Board of Directors selected Tanzania as eligible to develop a second compact.
Concept Note Received	
12-17-2013	In September 2013, the GOT submitted initial concept notes for projects to improve the technical and operational viability of the public power utilities, TANESCO and ZECO; expand access to modern electricity; and improve segments of the secondary road network that will help unleash the economic potential of key agricultural regions. These concept notes were further refined in a revised submission in December 2013 and finalized in April 2014.
Eligibility Notification	
12-10-2013	The MCC Board of Directors reselected Tanzania for eligibility in FY2014.
Eligibility Notification	
12-10-2014	The MCC Board of Directors reselected Tanzania as eligible for FY2015.

CN on Intent to Negotiate	
07-23-2015	MCC informed Congress of its plans to negotiate a Millennium Challenge Compact with the GOT.
MCC Board Reviews Compact	
09-16-2015	MCC's Board reviewed the compact program, but deferred approval pending Tanzania's performance on the FY16 score card.
Deferred Selection	
12-16-2015	MCC's Board deferred re-selection of Tanzania for its second compact, citing concern over the nullification of October 2015 election results in Zanzibar and the need for a prompt, fair, and peaceful conclusion of the electoral process. The Board also sought assurances from the Government of Tanzania that the Cybercrimes Act of 2015 would not be used to limit freedom of expression and association.
Compact development suspended	
03-28-2016	MCC's Board voted to suspend the development of Tanzania's second Compact due to the government of Tanzania engaging in a pattern of actions that are inconsistent with MCC's eligibility criteria.

MCC's Board determined that the government of Tanzania has engaged in a pattern of actions inconsistent with the criteria used by MCC to determine eligibility for assistance—specifically, a commitment to protecting democratic principles.

In addition, the analysis identified the effectiveness of government coordination as an overarching issue that directly impacts the binding constraints identified and the efforts of the GoM to address them to date. While the constraints analysis has yet to be formally published, there was agreement on the conclusions enabling MCC and GoM to move forward with project definition. The GoM completed complementary extensive initial social/gender and private sector reports informed by consultations.

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