

Millennium Challenge Corporation Threshold Program for Indonesia Control of Corruption Project (MCC-ICCP)

Winter 2008-2009

PROJECT OBJECTIVE

The MCC-ICCP, implemented by USAID Indonesia, is designed to assist Indonesia improve the "Control of Corruption" policy indicator with the goal of Indonesia's achieving MCC Compact eligibility.

PROJECT COMPONENTS

The project consists of technical assistance and training as well as provision of specific equipment that is responsive to the needs of key counterparts. Assistance provided through the Threshold Program is closely coordinated with other USAID and donor initiatives. Civil society is also an integral stakeholder and partner both in the Threshold Program's design and implementation.

CONTACT INFORMATION

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BACKGROUND

In October 2006, the Millennium Challenge Corporation (MCC) Board approved the Government of Indonesia's \$55 million Threshold Plan focused on improving the "Control of Corruption" and "Immunization Coverage" indicators. Presidents Bush and Yudhoyono endorsed the Threshold Plan during their November 2006 meeting. The overall Threshold Program is designed to assist countries that have not yet qualified for full MCC Compact funding, but have demonstrated commitment and significant achievements to date within the MCC framework. The MCC Threshold Program is implemented by the United States Agency for International Development (USAID).

Under the MCC-ICCP component, the Government of Indonesia (GoI) has committed to reduce opportunities for public corruption. Efforts include implementation of administrative reforms and greater judicial transparency, increased enforcement capabilities to fight money laundering, prosecution of cases of public corruption, and reduction of opportunities for corruption through the modernization of public procurement systems.

TOTAL PROJECT SIZE

The MCC-ICCP comprises a \$35 million grant over two years and is being implemented with the assistance of Chemonics International, Inc. and the US Department of Justice International Criminal Investigative Training Assistance Program (ICITAP).

PROJECT ACTIVITIES

Reform the Judiciary

- Train judges on the newly adopted Judicial Code of Conduct.
- Train senior-level court personnel on wealth reporting and wealth report monitoring requirements.
- Develop job descriptions and performance standards.
- Improve the Court's budgeting process.
- Publish Supreme Court decisions online and enhance the Court's website.
- Implement public complaint procedures and distribute corresponding public awareness materials.
- Develop guidelines to publicly release court information.

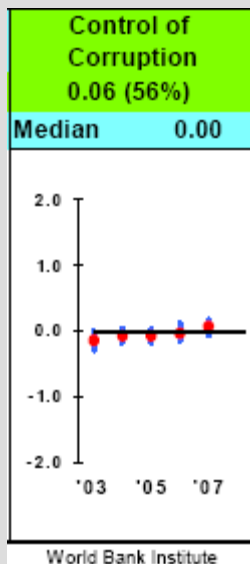
Improve the Capability of the Financial Transaction Reports and Analysis Center (PPATK)

- Enhance the "Know Your Customer" education and public awareness campaign by introducing it to non-bank financial institutions to detect and report suspicious transactions that may indicate money laundering activity.

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MCC Indicator Control of Corruption Indonesia



This indicator measures performance on the frequency of “additional payments to get things done,” the effects of corruption on the business environment, “grand corruption” in the political arena, and the tendency of elites to engage in “state capture.” The median is derived from a group of low-income countries.

Project Activities (continued)

- Increase the capacity of the Financial Transaction Reports and Analysis Center to receive and analyze online financial reports.

Improve the Capability of the Corruption Eradication Commission (KPK)

- Provide equipment and training to improve the Corruption Eradication Commission’s technical capabilities to investigate and prosecute corruption cases.
- With the assistance of Transparency International – Indonesia, expand collection of data for a Bribery Index and an expanded Transparency International Corruption Perception Index.

Implement Electronic Government Procurement

- Establish five regional government electronic procurement centers.

PROJECT ACHIEVEMENTS

The project formally started activities in April, 2007. Accomplishments to date include:

- Continued productive working relationships with key personnel of supported agencies.
- Assessed current status of supported agency program capacity and technology capabilities.
- Conducted training for over 2000 trainers and judges on Judicial Code of Conduct.
- Published 5803 court decisions on the Supreme Court website, www.putusan.net.
- Developed job descriptions for 850 critical positions within the court system.
- Trained more than 1700 budget and finance officers from the Supreme Court on new Government of Indonesia performance-based finance and accounting system.
- Completed over 40% of the 100% target of physical asset inventory of all courts.
- Developed and received approval for a new indicator for public complaints in Supreme Court, where within 21 working days a substantive response must be received from the office responsible for addressing the complaint.
- Launched public awareness campaign (TV, radio, print) in support of anti-money laundering efforts.
- Provided training for senior court leadership on budget based strategic planning.
- Opened three e-GP satellite centers in West Java, Gorontalo and West Sumatra; 10 electronic tenders announced.

