



**USAID**  
FROM THE AMERICAN PEOPLE

LESSONS LEARNED FROM USAID IMPLEMENTATION OF  
MILLENNIUM CHALLENGE CORPORATION THRESHOLD  
COUNTRY PROGRAMS

**PROCEEDINGS OF THE USAID-MCC THRESHOLD  
COUNTRY PROGRAM WORKSHOP, WASHINGTON, DC,  
JULY 14-15, 2008**

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# LESSONS LEARNED FROM USAID IMPLEMENTATION OF MILLENNIUM CHALLENGE CORPORATION THRESHOLD COUNTRY PROGRAMS

SUMMARY OF THE USAID-MCC THRESHOLD COUNTRY PROGRAM WORKSHOP,  
WASHINGTON, DC, JULY 14-15, 2008

## **DISCLAIMER**

The views expressed herein do not necessarily reflect the official views or policies of the United States Government or the U.S. Agency for International Development

LETTER OF THE PRESIDENT OF THE UNITED STATES

TO THE SENATE OF THE UNITED STATES

DECEMBER 1, 1900

THE PRESIDENT OF THE UNITED STATES

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## ACRONYMS

MCC	Millennium Challenge Corporation
MCA	Millennium Challenge Account
TCP	Threshold Country Program
USG	U.S. Government
M&E	Monitoring and evaluation
RRT	Results Reporting Table for monitoring progress on TCP
LMIC	Lower-middle income country
LIC	Lower income country
DOJ	Department of Justice
DOT	Department of Treasury
ODP	Office of Development Partners in USAID
IMF	International Monetary Fund
WTO	World Trade Organization

## FOREWORD

Since 2004 USAID has been working in partnership with other U.S. Government agencies to help developing countries become eligible for compact agreements with the Millennium Challenge Corporation (MCC). USAID has received over \$463 million of Millennium Challenge Account (MCA) funds to develop, implement, and report on this assistance in MCC partner countries. As attested to in this report, USAID's track record leading these "threshold country" programs has been excellent, not only because of the quality of our USAID staff on the ground but also because the activities were built on many years of experience implementing anti-corruption and other types of programs aimed at helping host governments rule justly, invest in people, and encourage economic freedom.

This report lays out the major findings and recommendations from a workshop held in July 2008 to review USAID experience and distill lessons from developing and implementing the MCC Threshold Program across 19 very different countries. As the reader will appreciate, the workshop not only confirmed the successes of the program but also shared experiences in relation to the MCC principles of rewarding policy reform, accountability, and country ownership, all while developing consensus on needed improvements going forward. In that vein, I think it imperative that we regard this event not as an end in itself but the beginning of an ongoing process of reflection, communication, and systematic learning—to be continued through additional workshops, evaluations, newsletters, etc. —to sharpen our experience and continue honing the synergies that exist between USAID and MCC under a "whole of government approach."

Karen D. Turner  
Director,  
Office of Development Partners  
November 2008

## EXECUTIVE SUMMARY

This report presents principal findings and recommendations from a workshop held in Washington, DC from July 14-15, 2008 to review the successes and principal lessons from implementation of the Millennium Challenge Corporation's (MCC) Threshold Program.<sup>1111</sup> Participants included USAID field mission representatives (including direct hire and foreign service national staff), USAID/Washington headquarters staff, and partners from the MCC, Departments of Justice and Treasury, the Office of Management and Budget, and the Office of the U.S. Trade Representative. Informal roundtable discussions addressed a wide range of strategic, technical, and implementation issues from the field centered on the themes of accountability, monitoring and impact, relationships and partnerships, and transitions and sustainability.

The two-day workshop was designed to promote the exchange of knowledge and information across countries and sectors in order to improve Threshold Country Program (TCP) implementation and program results, improve related programming by USAID, and strengthen TCP communications between and among missions, USAID/Washington, and MCC. USAID Administrator Henrietta Holsman-Fore and MCC CEO John Danilovich opened the two-day event by challenging participants to identify and debate cross-cutting lessons learned from threshold country programs. They cited the numerous successes from the TCPs underway and nearly completed.

Each of the key lessons discussed in the pages of this report relates either directly or indirectly to a six-part challenge that Administrator Holsman-Fore issued to workshop participants at the opening session: first, capture what works and what does not; second, explore how to continue to promote innovative programming; third, find new formal and informal ways to enhance knowledge exchange and the USAID/MCC partnership; fourth, outline ways to enhance country performance; fifth, identify tools and pilot programs that can further enhance donor coordination; and sixth, focus on how to promote sustainable reforms.

Following are the principal findings and recommendations of the workshop:

## FINDINGS

1. The USAID implemented MCC Threshold Programs have been successful in helping countries enact tangible reforms in the areas of good governance and economic freedom, and this success is reflected in improved performance on the indicators targeted.

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<sup>1111</sup> The Millennium Challenge Corporation provides development assistance through "compacts" it enters into with countries deemed to be ruling justly, investing in people, and encouraging economic freedom in accordance with a set of benchmark indicators established and periodically updated by respected third-party organizations such as Freedom House and the World Bank Institute. Performance areas include political rights, civil liberties, control of corruption, government effectiveness, rule of law, voice and accountability, immunization rates, health expenditure, primary education expenditure, girls' primary education, natural resource management, regulatory quality, land rights and access, ease of business start-up, trade policy, inflation, and fiscal policy. Threshold Country Programs (TCPs) provide carefully targeted assistance to countries that are currently ineligible for consideration due to poor performance in one or more of these 17 areas. TCPs are managed by USAID on behalf of the MCC, with the exception of Sao Tome and Principe, which the U.S. Department of Treasury is implementing.

2. Strong host government buy-in, starting with close involvement at the design stage, has promoted both country ownership and accountability.
3. The TCPs have generated not only enthusiasm and commitment to reform by host country governments but also some difficult political decisions leading to improved performance. Much of this can be attributed to the prospect of eventual compact eligibility—the “MCA effect.”
4. The TCPs’ relatively short timeframe—nominally two years—has shown itself to be both an advantage and a disadvantage. It focuses a country’s attention and lends urgency to the need for cooperation and quick action by government and non-government actors alike. However, a two-year time horizon is generally insufficient to cement the institutional systems and mechanisms needed to sustain reform programs over the long term.
5. USAID’s in-country expertise and wealth of experience designing, managing, and implementing complex programs in challenging settings have been critical in getting TCPs underway and delivering tangible results.
6. Important successes have been achieved in preventing corruption and promoting transparency in key areas such as customs, procurement, tax administration, and business/land registration. Nearly half of Threshold Program resources—47 percent—have been expended on programs to control corruption.
7. The Threshold Program experience documents that many countries are in fact ready and willing to undertake anti-corruption initiatives, particularly if such initiatives provide opportunities to undertake other reforms that the countries deem important. Combining MCC principles of country ownership and results accountability with economic, political, and financial incentives can be a powerful engine of change.

## RECOMMENDATIONS

1. MCC and USAID should jointly identify ways of sustaining activities once TCP activities and programs end through inclusion in compacts, Stage II threshold programs, or other mechanisms
2. Better and more explicit linkages are needed between USAID implemented TCPs, MCC compacts, USAID, and other USG programs.
3. Cooperation among USG partners under TCP is improving but warrants further strengthening to improve implementation.
4. The workshop should be viewed as a first step in a continuous process of experience-sharing and systematic learning aimed at fully harnessing the natural synergies between USAID and MCC programs.

## SECTION I. INTRODUCTION

The Millennium Challenge Account (MCA) provides assistance to countries deemed to be ruling justly, investing in their people, and encouraging economic freedom. Countries receiving assistance are responsible for identifying the greatest barriers to their own development, ensuring civil society participation, and developing an MCA program. Participation in the program requires that a country work closely with the Millennium Challenge Corporation (MCC), created to administer the MCA, to develop a detailed plan for achieving its development objectives. To become eligible for a “compact” with the MCC, a country must exceed the median of the performance scores of countries in the same income category. It must pass three of the six performance criteria in the ruling justly category, three of the five performance criteria in the investing in people category, and three of the six in the encouraging economic freedom category. A country must pass the Control of Corruption performance criteria. This and other performance data are provided annually for each MCC Compact candidate country<sup>2</sup> by independent third parties such as Freedom House and the World Bank Institute.

The Threshold Program was created by the MCC to help countries that are on the cusp, i.e., those that have demonstrated a clear commitment to improving their performance on Compact eligibility criteria but have not yet qualified for funding. A threshold country program (TCP) signifies agreement between the MCC and a country’s government to fund initiatives aimed at raising one or more compact eligibility scores. Countries selected for TCP participation are close to eligibility vis-à-vis other countries in their income category; have an established track record of working to improve performance; and demonstrate a capacity to sustain reform efforts. In all except Sao Tome and Principe, MCC has chosen USAID to manage threshold program development and implementation in all countries the board has declared eligible for a TCP.

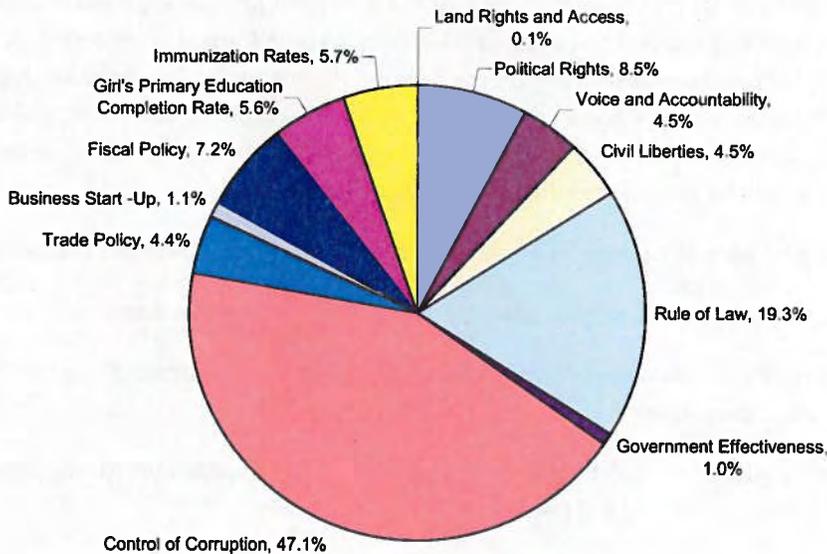
As the primary agency overseeing the implementation of TCPs, USAID manages program implementation in a broad range of country settings. USAID has received over \$463 million of Millennium Challenge Account (MCA) funds to develop, implement, and report on this assistance in 19 programs on MCC’s behalf through June 30, 2008. The Programs under implementation by USAID as of June 30, 2008 are listed in the Table in Annex C. Approximately \$391 million has been obligated as of that date to 17 programs.<sup>3</sup> The programs have covered a broad set of interventions, with 47 percent of funds spent on control of corruption and 19 percent spent on meeting the rule of law compact eligibility criteria. The chart on the following page presents the allocation of funds by these and other performance criteria. In short, there has been a significant investment by the United States Government in the good governance of MCC Compact candidate countries. Since a “control of corruption” performance greater than the median is a mandatory requirement for compact eligibility, these allocations are not surprising for the overall Threshold Program.

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<sup>2</sup> The Compact Candidates country list excludes those countries where foreign assistance funding is restricted. Compact eligible countries and threshold status countries are drawn each year from this list.

<sup>3</sup> In September 2008, USAID obligated a new TCP in Rwanda for \$24.7 million and a Stage II Threshold Program in Albania for \$15.7 million.

**Distribution of TCP Funding  
as of June 30, 2008**



In July 2008, following three years of implementation and the obligation of over \$391 million in program funds, USAID convened a workshop to bring TCP implementers from each of then 18 country programs together with colleagues from USAID/Washington, the Millennium Challenge Corporation, and representatives from other U.S. Government partners. The invitees are listed in Annex B, with their affiliations. Approximately 60 senior and mid-level government officials participated in the TCP workshop, including program managers from 17 of the countries where USAID implements TCPs, along with representatives from USAID (Office of Development Partners and Regional Bureau representatives), the MCC (Threshold and Policy departments), the Departments of Justice and Treasury, the Office of Management and Budget, and the Office of the U.S. Trade Representative. In attendance were program managers from Albania, Burkina Faso, Guyana, Indonesia, Jordan, Kenya, Kyrgyz Republic, Malawi, Niger, Paraguay, Peru, Philippines, Rwanda, Tanzania, Uganda, Ukraine, and Zambia.

The TCP Workshop was designed with one eye on past TCP experience and the other on enhancing future programming by building on the unique features of this program, which is focused on partnership, country ownership, and a performance-based approach to sustainable reform. Foremost among the workshop's objectives was to provide an opportunity for TCP implementers to share and discuss implementation experiences across countries and between USAID program managers in the field and their Washington-based colleagues from USAID and other USG stakeholders.

The workshop brought all implementing agencies together for the first time to share experiences and reflect on TCP's successes and lessons learned in achieving these successes. It presented headquarters and field program managers with a unique opportunity to compare experiences on a sector-by-sector, country-by-country basis, and share knowledge and lessons learned by means of informal, open dialogue.

## **OPENING REMARKS BY USAID ADMINISTRATOR HENRIETTA HOLSMAN-FORE AND AMBASSADOR JOHN DANILOVICH, MCC CHIEF EXECUTIVE OFFICER**

USAID Administrator Henrietta Holsman-Fore and MCC CEO John Danilovich opened the two-day event by challenging participants to identify and debate cross-cutting lessons learned from threshold country programs. They noted the importance of building on the “whole of government” partnership approach that the TCP had sought to foster, saying they hoped the workshop’s results would be used as a framework for future monitoring, reporting, and evaluation. Holsman-Fore and Danilovich also raised a number of important questions they hoped would be discussed during the workshop, including:

- What are the best ways to capture TCP achievements? What works and what can be improved?
- How can we continue innovating and learning from our experience as it evolves?
- What are the best ways for us to communicate and demonstrate in concrete ways the benefits of USAID and MCC partnership?
- How can we support continued improvements in host country partner performance to enable them to rule justly, invest in people, and promote economic freedom?
- How can donor coordination be enhanced in areas where there is MCC programming?
- How can we promote sustainable partnerships with serious reformers within host governments, as well as with the private sector, other donors and our sister USG agencies?

Administrator Holsman-Fore and Ambassador Danilovich noted the number of successes realized during the short life of the MCC and the Threshold Program, saying that it is both timely and important to capture the lessons learned and share the successes and lessons widely. They opined that the USAID-MCC partnership had been strengthened during the life of the program, and that relationship should be further developed. Each cited successful TCPs, including Burkina Faso, Albania, and Tanzania, to illustrate their observation that performance- and partnership-based assistance enhances country performance, accountability, and sustainability.

## **WORKSHOP OBJECTIVES AND OVERVIEW**

The two-day workshop was designed to promote the exchange of knowledge and information across countries and sectors in order to:

- Improve TCP implementation and program results;
- Improve related programming by USAID; and
- Strengthen TCP communications between and among missions, USAID/Washington, and MCC.

As a lead-off (and building on a pre-workshop survey of program implementers), participants were asked to share their expectations for the workshop, including the issues and topics they wanted to discuss. Those expectations formed the workshop’s two-day agenda as reflected in Section II of this report.

Featured panels and discussions on the first day, which included USAID and other inter-agency partners, included sessions on “Defining, Measuring, and Reporting on Results;” the “Evolution of MCC and USAID Roles in TCP Process;” and “Threshold Program Successes.” These panels and discussions gave program implementers in the field and Washington-based managers an opportunity to share program successes, tell the story of how successes were achieved, and share perspectives on implementation and program monitoring. The second day, which involved only USAID implementers, focused on USAID/Washington guidance to the field on TCP process and implementation issues; panels and discussion topics included “Managing Relationships;” “Managing Program Performance;” and “Managing Program Transitions and Sustainability.” Each of the workshop sessions was led by a roundtable panel of presenters, who framed the discussion during a plenary session followed by open roundtable discussion and debate in smaller break-out groups. Key findings, which were then reported to the plenary, are recorded in this report.

MCC Threshold Staff hosted a third day open to all participants to discuss specific concerns and monitoring and evaluation approaches MCC uses.

The following section summarizes the lively discussion and debate that took place during the workshop, working through the lens of key themes that cut across sessions and emerged over its two-day course.

## SECTION II. KEY ISSUES, DISCUSSION, AND THEMES

Three prominent themes characterized the discussion topics of most interest to workshop participants, and permeated conversations over the two-day event:

1. **Accountability, Monitoring and Reporting, and Impact**, including defining TCP programmatic success, stakeholder accountability and expectations, and understanding relationships between the movement of MCC compact eligibility indicators and other measures of success.
2. **Partnerships and Relationships**, including recounting experiences with the “whole of government” approach, managing the expectations of host-country counterparts, and improving coordination with inter-agency partners, other donors, and various stakeholders and counterparts.
3. **Transitions and Sustainability**, including enhancing country ownership, managing the transition to Compact status, understanding Stage II TCP programs as a tool to promote sustainable reforms, and linking TCPs with broader reform portfolios, including USAID, MCC, and other donor programming.

This section describes these key themes, summarizes discussion of related issues during the workshop, and attempts to distill the important points of consensus. Some of the issues identified at the workshop as requiring further discussion and attention are also identified and highlighted.

### THEME 1 – ACCOUNTABILITY, MONITORING, REPORTING, AND IMPACT

The theme of monitoring and reporting was addressed from two perspectives. An internal perspective focused on program implementation issues, such as harmonizing USG reporting requirements for implementing programs. The external perspective took a more programmatic or technical view, addressing issues such as promoting host-country government accountability for monitoring of reforms and involving civil society in reform monitoring.

An initial issue for the workshop’s discussions on monitoring and reporting was the definition of success within the context of a threshold program. While these programs are designed to assist host countries in improving their score on selected compact eligibility criteria, successes can, and must, be defined more broadly in order to show progress of the reforms, even before a re-evaluation of the indicators is undertaken. The discussion of monitoring and reporting, therefore, drew upon questions of managing expectations, managing relationships (inter-agency partnerships, host country counterparts, and implementing contractors, among others), as well as on timeframes for achieving measurable results.

Workshop participants stressed that objective indicators<sup>4</sup>, such as those used for compact eligibility, are a useful tool for promoting reforms, country performance, and accountability; however, total reliance on static indicators in ever-changing environments sometimes creates implementation issues and problems. Some par-

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<sup>4</sup> In this report we distinguish between the 17 MCC Compact Eligibility Criteria (“performance criteria”) and TCP Program Indicators, the latter being more closely related to program interventions and outcomes. The former are available on country scorecards at [www.mcc.gov](http://www.mcc.gov); the latter are listed and tracked in TCP monitoring and reporting documents, such as the results reporting tables (RRTs).

ticipants noted a need to develop more unified and prioritized TCP program indicators across countries. Others commented that the program indicators and related two-year time frames needed to be further refined and made more flexible and responsive to individual evolving country contexts. Participants stressed that the current program indicators and indexes serve as one out of several possible tools for gauging country reform progress.

### **Accountability and Country Ownership**

The Threshold Program was designed to be different from other USG assistance programs in that its main goal is to promote country ownership and accountability for creating a policy environment conducive to economic growth. This is the MCC and USG rationale for use of development performance criteria developed by third parties to monitor the policy environment. In addition, a TCP adds a new level of accountability for USAID implementing missions, which must report not only to USAID/Washington but also to MCC and the MCC Board.

A number of workshop participants acknowledged, explicitly or implicitly, that the approaches to monitoring and reporting used by the TCP helped promote country policy performance and accountability. This included both official governmental reporting and informal nongovernmental reporting, whether by civil society, business and advocacy groups, or the media.

Some participants expressed concern that there was not enough time devoted to developing high-level “country buy-in” to the TCP monitoring and reporting framework, including adoption of TCP program indicators, during the initial policy dialogue phase. Others expressed similar concerns but related them to the lack of civil society stakeholder participation and buy-in during this early phase of policy and program design discussions.

### **Defining TCP Success: MCC Eligibility and Impact Evaluation**

It was widely acknowledged by field-based implementers and program managers from both USAID and MCC the established compact eligibility performance criteria do not tell the whole story of what success means in the TCP context. Sustained policy and governance reform is the main goal of the program, and participants welcomed discussion on how best to capture successes and identify measurements that accurately portray program results and impact.

Several country participants acknowledged that the TCP monitoring and reporting process had helped encourage targeted short-term results (for example, reducing the amount of time necessary to register a business), yet it was difficult to gauge the impact of these successes on related or broader reforms. Further, it was difficult to measure whether the reform was enforceable and sustainable in the longer term since the nominal life of a typical TCP was a little more than two years under the original country bilateral obligation.<sup>5</sup> Moreover, countries must deal with higher hurdles to pass compact eligibility performance criteria in the event its per capita income level rises.<sup>6</sup>

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<sup>5</sup> Agreements are initially negotiated with governments for a nominal two year life, but in practice many TCPs have been extended. The average completion time is now 33.6 months from signing the agreement. See Annex C for relevant dates.

<sup>6</sup> LMIC countries typically have a higher median performance score, the hurdle for a “passing” score.

## Consensus – Implementation of Monitoring and Reporting Systems

- Many participants commented that a lack of comprehensive assessment and planning, including having little or no initial base line information coupled with numerous and often varying indicators, made it difficult and overly complicated to measure and report on reform progress.
- Many also noted they had had difficulties meshing the program indicators in the results reporting tables (RRTs) with a country's own indicators for monitoring and reporting, for example, in Poverty Reduction Strategy Programs.
- Some participants noted that monitoring and reporting on their TCP was complex and not closely linked to broader but inter-related reform efforts, such as judicial reform, not under the TCP.

## Consensus – Accountability, Monitoring and Reporting, and Impact

- Monitoring and reporting frameworks should be developed during the initial program planning, policy dialogue, and design phase, with broad stakeholder participation and buy-in. This process should incorporate governmental and nongovernmental monitoring and reporting as well as the TCP program indicators denoting progress. The monitoring and reporting process and indicators can then be used and adjusted as necessary through the life of a project to determine a country's implementation progress and ultimate success or failure.<sup>7</sup>
- Systematic monitoring and reporting combined with strong country buy-in—as reflected in the MCC model and if thoroughly addressed early in the program assessment and design process with broad stakeholder participation—is an effective tool for promoting accountability and achieving results.
- Independent assessments of progress throughout the life of TCPs are effective tools for identifying program implementation problems, promoting political accountability, and increasing the demand for reform among key stakeholders.
- Most participants agreed that the time is right for an impact-oriented evaluation that reviewed the TCPs country-by-country and program element by program element. Most said they thought it was particularly important to undertake this exercise now, as there were serious questions as to whether some of the countries undertaking these regulatory reforms had the institutional capacity or long-term reform commitment to actually implement and enforce them. MCC has since commissioned an independent thematic evaluation of similar interventions in six TCPs.

## THEME 2 - RELATIONSHIPS AND PARTNERSHIPS

Relationships and partnerships were key themes of the workshop, permeating discussions in nearly all areas. The workshop gave participants an opportunity to discuss how to manage host country government relationships (expectations, buy-in, and accountability), how to develop and improve inter-agency collaboration; how

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<sup>7</sup> Program indicators used in the RRTs must capture the progress on agreed results approved by the MCC Board. Typically, this has been five to eight measures of TCP success coming as a result of the application of MCA funds to the Threshold Country. These results are listed in the memorandum to the Board from the CEO requesting approval of the TCP proposal.

to partner with civil society organizations, and how to integrate Threshold programming with other USG and other donor programs.

### **Interagency Relationships and Partnerships**

USAID program managers noted the importance of effective interagency collaboration and its potential to promote policy reform in the threshold countries. Performance and concrete results had been most successful when effective collaboration within the USG country team had been undertaken from the earliest stages of country counterpart dialogue through the final stages of the TCP.

Many participants acknowledged that inter-agency relationships and partnerships had evolved since the origins of the Threshold Program and in a number of cases had strengthened; others, felt there had been fairly serious misunderstandings and coordination problems at various levels and stressed the importance of learning from these instances. Several participants acknowledged that some of the problems occurred early in the TCP's implementation, and noted that increased visits from MCC Threshold Program managers in Washington to the field had been helpful in resolving issues. They also observed that certain higher-level issues—for example, whether the existence of a TCP could adversely affect a USAID mission's regular bilateral budget—can only be addressed by senior policy makers in Washington. Some noted that relationship problems had arisen as a result of USAID and other USG agencies sometimes not being invited (either consciously or by oversight) to participate in meetings called with host country counterparts to discuss important policy, design, and implementation issues.<sup>8</sup>

Many participants noted the important role of the Department of Treasury in their programs and highlighted good coordination, both in planning and implementation of TCPs. The relationship with the Department of Justice (DOJ) has been more varied with some successes and some problems. Participants stressed the importance of clear guidance from MCC on the role and responsibilities of the different agencies in implementing the TCPs, including USAID's role as lead implementer. They noted that MCC's assistance in focusing all agencies on the short- and medium-term objectives of the TCPs, which sometimes can mean a redirection of activities away from longer-term strategies such as training toward more quickly visible reform. Participants also noted the critical importance of in-country experience for DOJ experts. Involvement of the U.S. Embassy was presented as a good solution to enhance relationships with DOJ in-country and coordinate program roles and responsibilities. For its part, MCC has been convening periodically "Threshold Implementing Partners" meetings with Departments of Justice, Treasury, and USAID to promote coordination.

### **Host Country Government Relationships: Compact Eligibility as an Incentive for Reform**

Workshop participants agreed that MCC funding provides more incentive for reform in some countries than in others, for various intrinsic and extrinsic reasons, including the extent to which a country depends on foreign assistance; the degree to which donors are interested in a given country; the possibility for donor coordination and country counterpart coordination; the involvement of USG country team, particularly the ambassador; and the timing of potential TCP and Compact assistance. These factors, which vary country to country, mean that the prospect of eventually receiving Compact funds may not be a sufficient incentive to promote significant reforms or government accountability in all cases.

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<sup>8</sup> This has been more of a problem for the handful of threshold countries made compact eligible by the MCC Board just as the TCP was getting underway. The work of MCC's Compact Operations Department (now Compact Development) and the MCC Threshold staff were not closely coordinated. MCC has taken steps to improve coordination and share information.

Several participants noted that the lure of TCP funding has limits, especially in countries where there is already substantial donor funding, or where political will and the rule of law is particularly weak. Ukraine was cited as an example of a country where there were numerous donors and significant donor resources already in place. By contrast, in countries like Zambia and Malawi, TCP assistance plays an important part in the country's overall budget and reform program. In these countries, both Threshold assistance and the potential of Compact programming were seen as important incentives for undertaking reforms.

Many participants expressed the view that more MCC guidance and USAID involvement are needed to help manage country expectations and country deliverables within the context of TCP programming and time frames. Several commented that country counterparts who had misunderstood the TCP funding/technical assistance process in some instances failed to apprehend the goals, timelines, and indicators required for favorable review and qualification for MCC Compact Program funds. As a result, countries often had inflated expectations of TCP assistance, overestimating their chances to qualify and/or expecting more funding than they were likely to receive.<sup>9</sup>

### Host Country Civil Society Relationships

A number of participants noted that media and civil society engagement had played an important role in the overall success of their program, particularly in governance reforms. Several TCPs provide direct assistance to nongovernmental organizations and to civil society organizations, as, for example, in Kenya and the Philippines. Others, including Malawi, Tanzania, and Rwanda, directly support media training in investigative reporting.

While acknowledging the progress made in forging partnerships with civil society beyond the policy dialogue phase, other participants expressed concern that many TCPs did not include these programmatic elements, or that the partnerships themselves were weak. Strengthening these partnerships would build demand for reform, improve monitoring and reporting, and promote sustainability.

### Consensus – Relationships and Partnerships

- Many issues related to host country relationships and inter-agency and donor coordination could be prevented through an improved “whole of government” partnership approach during the initial policy dialogue and program design phases. Improved inter-agency collaboration in communicating to host country counterparts, particularly in establishing indicators and results monitoring frameworks, would help clarify expectations and enhance country ownership. Hands-on engagement by USAID field staff during the initial development phase of a TCP effort is critical.
- While inter-agency relationships have improved since inception of the Threshold Program, USAID participants reported coordination with DOJ has been problematic in some instances and should be reviewed further. As designated in-country manager for TCP programs, USAID should take the lead in identifying ways to coordinate better with DOJ on a country-by-country basis.
- TCP success, particularly in sensitive areas such as anti-corruption programming, is often related to the degree to which the ambassador and USG country team generally have been involved in policy discussions and program monitoring. Several workshop participants emphasized that full engage-

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<sup>9</sup> Although MCC has asked USAID to develop and vet most of the budgets for activities proposed by Threshold Countries, MCC has final say on the size of the program.

ment of the ambassador and country team advanced both programs and country counterpart accountability.

- Additional efforts are needed to promote civil society partnerships, particularly with the media, during all phases of TCPs since they are critical to promoting public awareness, the demand for reform, monitoring and reporting, stakeholder buy-in, and sustainability.

### **THEME 3 - TRANSITIONS AND SUSTAINABILITY**

Sustainability was a cross-cutting theme of the workshop, with many participants voicing concern about sustaining the gains made under TCPs without closer ties to other, longer-term programs and a broader reform agenda overall. Discussions focused on how to effectively transition TCPs to other USG programs, including MCC Compacts; how flexibility in the two-year TCP time frame (such as through Stage II TCPs) can promote sustainability; and how to work with host country governments and other donors to sustain the reforms.

#### **Fostering Sustainability of Reforms by the Host Country Government**

Many participants expressed a concern that TCP reforms are not sustainable without host governments' commitment to fund future follow-on programs out of their own budget. Several noted they had accomplished country ownership during early policy dialogue and program design discussions with the host government. Others noted that opportunities to secure budgetary commitments had been lost because USAID had not been invited to MCC meetings with the host country in a timely, informed manner early in the policy dialogue process. Several noted they had used long-term capacity building training programs as an incentive to provide on-going support for reforms and build-up demand for the reforms and enforcement.

#### **Fostering Sustainability through Other Donors**

Virtually all participants said it was important to coordinate with other donors on program sustainability, from the beginning of the TCP planning process and in-country dialogue through the life of the program. Some USAID country missions used off-site donor meetings early in the process to exchange information, link-up reform strategies, and promote donor coordination. Several participants observed that this approach promoted broader donor coordination, focused policy and program reform priorities, and enhanced government accountability. One MCC participant noted that a memorandum of understanding between the MCC and the British aid organization DfID had recently been signed outlining areas of mutual interest and cooperation, commenting that this was an important step in strengthening donor coordination, program sustainability, and country accountability.

In some countries, other donors had more resources or incentives to offer than the USG acting alone. Other donors were leveraging reform with incentives such as admission to the European Community or WTO, or with benefits stemming from compliance with international treaties such as the UN Convention against Corruption. Cooperation with these other donors provides additional leverage for the U.S. in the areas of policy reform and monitoring. One participant representing the Indonesia TCP noted that its threshold program had been a success because it had helped convince the IMF to develop a long-term judicial reform program after having terminated a similar program before the TCP was initiated.

## Sustainability and “Whole of Government” USG Programming

Nearly all participants stressed the importance of promoting USG inter-agency coordination to address sustainability, from the start of the TCP planning process through to the completion of implementation. They also stressed the importance of follow-on USAID programs to ensure that reforms continued to progress. Participants expressed concern that such progress would be difficult to maintain in instances where USAID’s democracy and governance and other portfolio budgets had been decreased. Several participants called for more formal and informal linkages between TCP and Compact programs, as well as for longer-term USG programming.

One participant spoke of the urgent need for clearer policy and country guidance on the transition of countries from TCP to Compact programs and/or to broader, longer-term USG objectives and programs. In at least one case a Compact was abruptly and unexpectedly approved by the MCC shortly after the TCP had been approved. Field staff felt they had not been fully consulted on this decision. They reported lowered country expectations regarding TCP performance and raised issues related to credibility of the U.S. Government.

Several participants voiced concern that USAID program managers were sometimes not informed in advance of field visits by MCC/Washington staff or key in-country meetings with host government counterparts where transition and sustainability issues were being discussed and negotiated.

## Consensus – Transitions and Sustainability

- The issue of sustainability requires more USG and host government attention, particularly during the early planning and program design phase of TCPs.
- Program incentives such as targeted training and capacity building or accession to international organizations help build demand for reform and promote sustainability.
- Securing agreement from the host government to partially fund or support TCP reforms during the initial programming planning phase, and partially or fully fund future follow-on programs from the country’s own budget, was seen as a key measurement of political will, enforcement, and sustainable reform. In the case of the Philippines, the government agreed to match TCP funding from MCC with in-kind contributions of its own.
- Sustainability and program effectiveness are promoted by “champions” within the host country government at both the official and administrative level. Participants noted the importance of high-level dialogue between the USG (sometimes at the ambassadorial level) and counterparts in the host country government, coupled with outreach to reformers at the administrative or implementation level within government ministries or agencies. Both official and administrative champions are needed: a high-level champion helps ensure a supportive political environment and the necessary budgetary resources, while an administrative champion assists in pushing forward reforms on the implementation level. Having champions and influential opinion leaders within civil society is also important.

- More attention needs to be given to donor coordination from a sustainability perspective; this issue should be addressed from the beginning of the program planning phase and throughout the life of the TCP to sustain the gains made under the program, particularly as the country transitions to Compact status. The TCPs developed in the past two years have placed much more emphasis on what other donors are doing in the same areas as the TCP. MCC reports to the Board as part of the decision to approve a TCP.
- TCP time frames for results should be more flexible and more closely linked to related USG, donor, and country reform programming.

## SECTION III. PRINCIPAL FINDINGS AND RECOMMENDATIONS

### A. FINDINGS

1. The USAID implemented MCC Threshold Country Programs have been successful in helping countries enact tangible reforms in the areas of good governance and economic freedom, and this success is reflected in improved performance on the indicators targeted.
2. Strong host government buy-in, starting with close involvement at the design stage, has promoted both country ownership and accountability.
3. The TCPs have generated not only enthusiasm and commitment to reform by host country governments but also some difficult political decisions leading to improved performance. Much of this can be attributed to the prospect of eventual compact eligibility—the “MCA effect.”
4. The TCPs’ relatively short timeframe—nominally two years—has shown itself to be both an advantage and a disadvantage. It focuses a country’s attention and lends urgency to the need for cooperation and quick action by government and non-government actors alike. However, a two-year time horizon is generally insufficient to cement the institutional systems and mechanisms needed to sustain reform programs over the long term.
5. USAID’s in-country expertise and wealth of experience designing, managing, and implementing complex programs in challenging settings have been critical in getting threshold programs underway and delivering tangible results.
6. Important successes have been achieved in preventing corruption and promoting transparency in key areas such as customs, procurement, tax administration, and business/land registration. Nearly half of Threshold Program resources—47 percent—have been expended on programs to control corruption.
7. The Threshold Program experience documents that many countries are in fact ready and willing to undertake anti-corruption initiatives, particularly if such initiatives provide opportunities to undertake other reforms that the countries deem important. Combining MCC principles of country ownership and results accountability with economic, political, and financial incentives can be a powerful engine of change.

### B. RECOMMENDATIONS

1. MCC and USAID should jointly identify ways of sustaining activities once TCP activities and programs end through inclusion in compacts, Stage II threshold programs, or other mechanisms
2. Better and more explicit linkages are needed between USAID implemented TCPs, MCC compacts, USAID, and other USG programs.

3. Cooperation among USG partners under TCP is improving but warrants further strengthening to improve implementation.
4. The workshop should be viewed as a first step in a continuous process of experience-sharing and systematic learning aimed at fully harnessing the natural synergies between USAID and MCC programs.

## SECTION IV. CONCLUDING PERSPECTIVES

The consensus and lessons learned that are captured by this report either directly or indirectly address the challenges and charges articulated by Administrator Holsman-Fore at the beginning of the TCP Workshop. Experience in threshold countries shows that a country's political, socio-economic, and cultural context makes all the difference in terms of how and when programs can be implemented. Even though threshold countries are by definition among the poorest countries in the world, they are also diverse and often on different development paths. There is also considerable country-to-country and regional variation in the range and capacity of institutions to support and implement reforms.

In some countries achieving success within a two-year time frame may be politically or economically possible one day but, due to political or economic changes, difficult later. Likewise, program success in one threshold country may be measured altogether differently than in another, depending on the evolving development goals and interests of the various stakeholders.

Participants were in general agreement that the possibility of becoming eligible for a MCC Compact provides important incentives to tackle sensitive reforms, such as those related to corruption and other ruling justly indicators. Participants also agreed, however, that this incentive effect needs to be balanced with careful consideration of a holistic, long-term approach to sustainable reform.

Throughout the workshop, participants expressed their belief that Threshold, Compact, and USAID programs should be more closely linked, both technically and politically. They encouraged future attention to marry these issues and programs.

### THRESHOLD COUNTRY PROGRAMS THROUGH AN ANTI-CORRUPTION LENS

Over half of the \$400 million invested in Threshold Program has been geared toward addressing various forms of corruption, directly, or indirectly, as shown in the Pie Chart in the Introductory Section. The table at Annex C lists the TCPs where Control of Corruption was a main focus. Annex D expands on the kinds of interventions in the various programs.

The workshop clearly showed that the main question on most participants' minds was how to ensure program sustainability, given the TCP's short time frame for success. Anticorruption programming is by its nature almost always complex and linked to broader reforms. No other reform prism provides the cross-cutting lens of anti-corruption programming, which is used below to shine light on some of these important challenges that lie ahead.

#### *Successful Anti-Corruption Programs Focus on Reducing Opportunities for Corruption*

Among the more easily implemented and measured best practices in both TCP and other anti-corruption programming generally are reforms that reduce opportunities for corruption. These kinds of programs, which relate primarily to regulatory transparency and streamlining, were advocated in USAID's first anti-corruption strategy in the mid-1990s. Recent Threshold country experience in areas like public procurement, customs,

tax administration, and business registration provide further evidence of the political will, market demand, and institutional capacity to undertake such reforms in different country contexts.

This experience is linked to the important and ever larger role of e-government in reform programs across a range of countries. Whether e-procurement, e-customs, electronic one-stop business regulatory licensing shops, electronic access to information, or anonymous Web-based whistleblower hotlines, technology has enabled Threshold countries like Albania and Zambia to undertake reforms that previously would not have been possible to achieve within so short a time frame.

Questions that should now be addressed include how best to measure the impact of these reforms and evaluate their worth vis-à-vis other reforms. It is also key to determine how to ensure that reforms are implemented, and sustained over time, and how they can be linked to broader reform strategies.

### *Incentives and Opportunities for Reform Spur Political Will to Address Corruption*

The Threshold Program experience can support the idea that, contrary to some popular and academic opinion, many countries are in fact ready and willing to undertake anti-corruption initiatives, particularly if such initiatives provide opportunities to undertake other reforms that the countries deem important. In this sense, the TCP experience in some countries reinforces the development notion that country ownership and economic, political, and financial incentives do in fact matter.

### *Threshold Country Programs Can Highlight Key Reform Gaps and Influence Host Country and Donor Strategies to Combat Corruption*

The prevalence of anti-corruption elements in TCPs gives the international community and policy makers useful insights into the kinds of anti-corruption reforms host countries are most interested in pursuing, and seen as achievable within two-year time frames. The Threshold Program experience shows that progress on judicial and law enforcement institutional reform usually takes longer than programs in administrative and regulatory reform.

At the same time, TCP experience reveals that, in some cases, short-term TCPs can serve to highlight key reform gaps and promote sustainability by leading countries and other donors to continue these reforms in important follow-on programs. One TCP Workshop participant from Indonesia told how a TCP program with the judiciary led other donors to undertake an important long-term judicial reform agenda. In another country, a TCP in the public procurement area that was linked to a parliamentary oversight and law enforcement program, led to parliamentary oversight hearings, investigative journalism stories and the ultimate dismissal of high-level government officials who were engaged in public procurement fraud.

In summary, the experiences of the USAID implemented MCC Threshold Program documents that many countries are in fact ready and willing to undertake anti-corruption initiatives, particularly if such initiatives provide opportunities to undertake other reforms that the countries deem important. Combining MCC principles of country ownership and results accountability with economic, political, and financial incentives can be a powerful engine of change.



## **ANNEX A**

### **USAID-MCC THRESHOLD PROGRAM WORKSHOP: LESSONS LEARNED AND THE WAY FORWARD**

**Arlington, VA July 14-15, 2008**

#### **Expected Workshop Results:**

Share best practices and lessons learned of Threshold Country Programs, in order to:

1. Improve TCP implementation and achievement of results
2. Improve similar programming by USAID
3. Strengthen communications between Missions working on TCPs, USAID/Washington and MCC

#### **AGENDA**

##### **DAY ONE: Monday, July 14, 2008**

- 8:30 – 9:00     **Registration and Coffee**
- 9:00 – 9:30     **Opening**
- Welcome and opening remarks
  - Keynote by Administrator Fore (invited)
  - Overview of the workshop and expectations
- 9:30 – 10:30    **Defining, Measuring and Reporting on Results**
- MCC Goals and Priorities
  - Defining TCP success
  - Correlation between TCP and movement along MCC indicators
  - Perceptions of MCC Threshold Program
- Outcome:** Appreciation of TCP success; measurement and usage of performance information
- 10:30 – 10:45    **Break**
- 10:45 -11:45    **Evolution of MCC and USAID Roles in the Threshold Programs Process**
- Integrated MCC/USAID programming in TCP countries
  - Inter-agency cooperation
  - Managing Threshold-to-Compact transition
  - Stage II Thresholds
- Outcome:** Sharing of successful collaboration among partners in TC programming
- Outcome:** Summary of best practices & implications for future TCP programming

- 11:45 – 12:45 **Lunch**
- 12:45 – 2:30 **MCC Threshold Program Successes, Round One**
- Two rounds concurrent sessions; three of 6 sectors (Civil Society, Judicial Reform, Business Registration, Control of Corruption, Procurement/Audit Reforms, Customs Reforms) discussed in each round
  - Presentations on TC Programs followed by discussion and synthesis (Countries TBD)
- Outcome:** Identify successes and best practices in each sector
- Outcome:** Summary of lessons learned and how these can best be applied in future programming
- 2:30 – 2:45 **Break**
- 2:45 – 4:30 **MCC Threshold Program Successes, Round Two**
- Two rounds concurrent sessions; presentations on TC Programs followed by discussion and synthesis. Countries TBD
- Outcomes:** See above
- 4:45 – 5:00 **Wrap-Up**
- Synthesis of Lessons Learned and TC Program Successes
  - Preview of next day
  - Brief feedback on content, process
- 5:30 – 7:30 **Reception**  
Hilton Arlington Hotel

### **DAY TWO: Tuesday, July 15, 2008**

- 8:30 – 9:00 **Breakfast**
- 9:00 – 9:15 **Introduction**
- Welcome and charge for the day from ODP/MCC
  - Recap of previous day; participant expectations
- 9:15 – 10:00 **USAID/ODP/MCC Tools & Guidance, Part I**
- Brief walk-through of draft Guidance manual; assignments for review of sections for the day
- Outcome:** Draft Guidance Manual available for use in following session
- 10:00 – 11:15 **Technical Aspects of Threshold Program Design and Implementation**
- Four rounds of sessions; presentations on TC Programs followed by plenary discussion and synthesis. Countries TBD
- Round 1: Managing Relationships
- Outcome:** Summary of issues, implications and lessons for future TC program design, management and implementation

- 11:15 – 11:30 **Break**
- 11:30 – 12:45 **Technical Aspects, continued**
- Round 2: Managing Program Performance
- 12:45 – 1:45 **Lunch**
- 1:45 – 3:00 **Technical Aspects, continued**
- Round 3: Managing Program Transitions; Sustainability
- 3:00 – 3:15 **Break**
- 3:15 – 4:15 **USAID/ODP/MCC Tools & Guidance, Part II**
- Feedback on ODP/MCC draft Guidance manual
- Outcome:** Feedback collated on draft Guidance Manual
- 4:15 – 4:45 **Evaluation and Closure**
- Feedback on workshop approach
  - Recommendations for continued communications
  - Closing remarks from ODP/MCC



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FROM THE AMERICAN PEOPLE

## ANNEX B

### Invitees List, Lessons Learned from the MCC Threshold Programs Workshop, July 14-15, 2008

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**ANNEX C**  
**Threshold Country Programs Implemented by USAID**

As of June 30, 2008

Country	Board Approval Date	Bilateral Obligation Date	Estimated Implementation Start	Initial Bilateral Completion Date	Amended Bilat. Compl. Date	Total Obligation	Main Compact Eligibility Criteria focus
BURKINA FASO	7/8/05	7/22/05	4/1/06	7/22/07	9/30/08	12,900,000	Girl's Education
MALAWI	9/9/05	9/29/05	1/9/06	9/30/08	9/30/08	20,920,000	Control Corruption
ALBANIA	2/8/06	4/3/06	9/15/06	9/15/08	11/15/08	13,850,000	Control Corruption
TANZANIA	2/1/06	5/3/06	8/1/06	6/1/08	12/30/08	11,150,000	Control Corruption
PARAGUAY	2/8/06	5/8/06	5/8/06	11/30/08	5/31/09*	34,645,092	Regulatory Quality
ZAMBIA	4/18/06	5/22/06	7/6/06	9/30/08	2/28/09	22,735,000	Control Corruption
PHILIPPINES	6/16/06	7/26/06	11/22/06	9/30/08	3/31/09	20,685,000	Control Corruption
JORDAN	9/12/06	10/17/06	1/16/07	3/31/09	8/29/09	25,000,000	Democracy/Trade
INDONESIA	10/25/06	11/17/06	4/1/07	5/31/09	5/31/09	55,000,000	Control Corruption/ Improve Immunization
UKRAINE	6/16/06	12/4/06	4/1/07	4/30/09	9/30/09	44,970,000	Control Corruption
MOLDOVA	10/25/06	12/14/06	6/19/07	1/31/09	9/30/09	24,700,000	Control Corruption
KENYA	2/14/07	3/23/07	10/1/07	9/30/09	9/30/09	12,723,000	Control Corruption
UGANDA	2/14/07	3/29/07	8/15/07	12/31/09	12/31/09	10,446,180	Control Corruption
GUYANA	6/27/07	8/23/07	1/14/08	2/23/10	2/23/10	6,711,000	Fiscal Policy/Business Environment
KYRGYZ REPUB.	8/9/07	3/14/08	4/1/08	6/30/10	6/30/10	15,994,000	Control Corruption
NIGER	1/30/08	3/17/08	-	9/30/11	9/30/11	23,066,914	Girls Education/ Control Corruption
PERU	11/30/07	6/9/08	9/23/08	7/31/10	7/31/10	35,585,000	Control Corruption/ Improve Immunization
<b>TOTAL</b>						<b>391,081,186</b>	

Notes:

A TCP developed for Timor Leste was dropped when it became Compact eligible  
 TCP developed for Yemen and Mauritania are on indefinite hold.  
 Paraguay's completion date extended on 10/6/08

**ANNEX D**  
**MCC Threshold Programs to Control Corruption -**  
**Primary Program Elements**

Objective	Country	Activities
Strengthen the Legislature/Enact New Laws	Malawi	<ul style="list-style-type: none"> <li>-- Pass anti-money laundering/Financial Intelligence Unit (FIU), terrorist finance, declaration of assets, laws</li> <li>-- Empower congressional committee system to provide oversight and budget analysis</li> </ul>
	Paraguay	<ul style="list-style-type: none"> <li>-- Improve Congressional system of analysis/oversight of budgetary executions by public entities</li> <li>-- Establish mechanism to promote coordination on public budget between Congress, Executive, civil society</li> </ul>
	Ukraine	<ul style="list-style-type: none"> <li>-- Enact Conflict of Interest Legislation for government officials</li> <li>-- Enact laws on inter alia Notaries, Budget Code, Internal Investigation Units in Ministries, NGOs, Access to Information, Joint-Stock Companies, Natural Monopolies, SME taxation, land market/property transactions/permits</li> </ul>
	Jordan	<ul style="list-style-type: none"> <li>-- Strengthening of local councils/decentralization</li> <li>-- Passage of an amended Municipalities Law to make mayors and local councils elected posts (except in Amman), reserve a quota of local council seats for women, increase financial independence of municipalities and increase regulatory powers and responsibilities for the municipalities</li> <li>-- Improve delivery of public services</li> </ul>
Strengthen the Judicial System/Police	Malawi	<ul style="list-style-type: none"> <li>-- Strengthen prosecutorial abilities in Dept. of Public Prosecutions, Anti-Corruption Bureau and Police</li> <li>-- Upgrade legal skills capacity of judges, police prosecutors and other government officials</li> </ul>
	Paraguay	<ul style="list-style-type: none"> <li>-- Increase investigative capacity of Public Ministry (GOP DOJ) through modernizing resources, safeguarding handling/storage of evidence</li> <li>-- Strengthen Supreme Courts Superintendence Council by creating system of internal controls and disciplinary measures</li> </ul>
	Ukraine	<ul style="list-style-type: none"> <li>-- Implement registry of court decisions and case assignments</li> <li>-- Implement effective, transparent process of judicial appointment and disciplinary procedures for judges</li> <li>-- Improve system of enforcing judicial decisions by adopting monitoring system</li> <li>-- Support establishment of administrative courts in regions with functioning electronic network</li> <li>-- Create independent Association of Notaries, oversight mechanism and qualification test</li> </ul>
	Moldova	<ul style="list-style-type: none"> <li>-- Develop/implement automated case management system</li> <li>-- Develop enforceable codes of conduct, including conflict of interest provisions and disciplinary provision for judges, attorneys and other court personnel</li> <li>-- Make available to public all court records</li> </ul>
	Uganda	<ul style="list-style-type: none"> <li>-- Increase rate of successful prosecutions by:</li> <li>-- Supporting establishment of anti-corruption Court</li> <li>-- Training investigators and prosecutors and provide equipment and logistical support</li> <li>-- Decentralizing anti-C Court and providing legal aid for complainants</li> <li>Help anti-corruption agencies and courts to streamline handling of cases</li> </ul>

Objective	Country	Activities
	Indonesia	<ul style="list-style-type: none"> <li>-- Train judges on newly adopted Judicial Code of Conduct</li> <li>-- Train senior-level court personnel on wealth reporting/monitoring</li> <li>-- Develop job descriptions/performance standards for court personnel</li> <li>-- Publicize all Supreme Court decisions/enhance website</li> <li>-- Implement public complaints procedures</li> <li>-- Increase public's access to information</li> </ul>
	Rwanda	<ul style="list-style-type: none"> <li>-- Provide training and technical assistance to legal professionals</li> <li>-- Facilitate the implementation of a legislative reform agenda to improve political rights, voice and accountability, and civil liberties</li> <li>-- Support closer monitoring and investigation of police performance</li> </ul>
	Tanzania	<ul style="list-style-type: none"> <li>-- Train public prosecutors on comprehensive prosecutorial skills, legal opinion writing, and information technology skills.</li> <li>-- Train district and resident magistrates from the Court of Appeal of Tanzania on the current anti-corruption law</li> </ul>
	Peru	<ul style="list-style-type: none"> <li>-- Strengthen the judicial internal affairs office by revising and standardizing intake, investigation, and disciplinary procedures</li> <li>-- Provide new information technology to support to enforcement efforts</li> <li>-- Reduce the number of bribes paid to police and public servants by clarifying punishment and regulations, streamlining the intake of complaints, and by strengthening internal control units and conducting audits of affairs</li> </ul>
	Kyrgyz Republic	<ul style="list-style-type: none"> <li>-- Improve the judicial personnel system</li> <li>-- Improve the legal framework for handling commercial cases</li> <li>-- Increase public access to and management of judicial information</li> <li>-- Promote court automation and computerization</li> <li>-- Move the Court Department under the control of the new Judicial Council</li> <li>-- Restructure and reform the Organs of Internal Affairs (OVD), including the restructuring of vetting and hiring practices</li> <li>-- Create an internal affairs service to investigation police misconduct</li> <li>-- Establish a Civilian Review Board to oversee police conduct</li> <li>-- Provide training and equipment to law enforcement officials</li> <li>-- Develop effective witness protection program</li> <li>-- Provide training for the prosecution and judges</li> </ul>
Provide Support to Lead Anti-Corruption Agencies/Implement National Corruption Plan	Malawi	<ul style="list-style-type: none"> <li>-- Strengthen National Audit Office through training, recruiting and equipping</li> <li>-- Build M&amp;E capacity of Ministry of Economic Planning</li> <li>-- Strengthen Police ability to address corruption related crimes/ install MIS/provide ethics training</li> <li>-- Provide technical assistance to Malawi Revenue Authority</li> </ul>
	Indonesia	<ul style="list-style-type: none"> <li>-- Provide equipment/training to improve the Corruption Eradication Commissions' technical capabilities to investigate/prosecute</li> <li>-- Expand Data Collection for TI's Corruption Perception Index</li> </ul>
	Moldova	<p>Strengthen Center for Combating Economic Crimes and Corruption (CCECC) by:</p> <ul style="list-style-type: none"> <li>-- Creating a single dept. for investigations and an independent civil board to monitor activity and advice Director</li> <li>-- Build capacities of whistle blower protection unit and improve law</li> <li>-- Introduce system for reporting acts of corruption in civil service</li> <li>-- Make CCECC budget info available to public and strengthen their public education program</li> </ul>
	Paraguay	<ul style="list-style-type: none"> <li>-- Adopt transparent internal and external control system in Controller General's Office</li> <li>-- Strengthen public reporting of GOP financial performance</li> </ul>

Objective	Country	Activities
		<ul style="list-style-type: none"> <li>-- Integrate databases of registries of Motor Vehicles, Judiciary Records and Dept. of Identification of Persons</li> </ul>
	Philippines	<ul style="list-style-type: none"> <li>Strengthen Office of the Ombudsman through training and TA</li> <li>-- legal research, case buildup, investigative and prosecutorial skills;</li> <li>-- establish mediation system to clear backlog of cases;</li> <li>-- establish virtual integrity institute for government officials,</li> <li>-- train, and integrate corruption prevention in curriculum of public schools;</li> <li>Strengthen Department of Finance Revenue Integrity Protection Service (RIPS)</li> <li>-- train lawyers in investigative techniques, legal writing and case preparation</li> <li>-- provide surveillance equipment and IT</li> <li>Help implement the Government's National Anti-Corruption Plan of Action (NACPA)</li> </ul>
	Uganda	<ul style="list-style-type: none"> <li>--Provide technological, equipment and logistical support to Inter-Agency Forum (IAF) (where five anti-corruption agencies and civil society groups exchange info)</li> <li>--Build technical capacity of five anti-corruption agencies and provide essential equipment</li> <li>-- Support the Directorate of Ethics and Integrity's and IAF's public information campaign the dissemination of critical information.</li> </ul>
	Ukraine	<ul style="list-style-type: none"> <li>Create Internal Investigation Units (IIUs) to promote transparency and accountability in Ministries of Economy, Judiciary, Health, Agriculture, Education, Transportation and Finance</li> </ul>
	Tanzania	<ul style="list-style-type: none"> <li>--Build the capacity of the Prevention of Corruption Bureau, including:               <ul style="list-style-type: none"> <li>-- Training PCB investigators on comprehensive investigation and policing skills; and procurement fraud and corruption</li> <li>-- Training Prevention of Corruption Bureau prosecutors on prosecutorial and courtroom advocacy skills</li> </ul> </li> <li>--Providing vehicles to PCB for investigators to use in field investigations</li> </ul>
	Peru	<ul style="list-style-type: none"> <li>-- Strengthen the anti-corruption unit in the Ombudsman's Office, utilizing technical assistance, information technology equipment, surveys and internal campaigns to promote ethics and transparency</li> </ul>
	Niger	<ul style="list-style-type: none"> <li>-- Create a national anti-corruption information system and publish a website with statistics related to fighting corruption</li> <li>-- Prepare national study examining root causes of corruption, propose amendments to legislation and regulations based on survey results</li> <li>-- Train 500 civil servants in investigation and audits techniques</li> </ul>
	Guyana	<ul style="list-style-type: none"> <li>-- Strengthen the capacity of both the Public Accounts Committee (PAC) and the Parliamentary Sectoral Committee on Economic Services (ESC)</li> <li>-- Develop protocols, operation manuals, and procedures for PAC and ESC</li> <li>-- Promote parliamentary and public dialogue with the public sector and strengthen consultative initiatives</li> <li>-- Improve the internal secretariats of the PAC and ESC, including the ability to research and analyze data</li> <li>-- Modernize library facilities</li> </ul>
	Zambia	<ul style="list-style-type: none"> <li>-- Build capacity of the Anti-Corruption Commission</li> <li>-- Establish internal watchdog units (Integrity Committees) in Ministry of Lands, Immigration Dept/Ministry of Home Affairs, Anti-Corruption Commission and Zambia Revenue Authority</li> <li>-- Implement tailored regulatory reforms at same institutions to simplify</li> </ul>

Objective	Country	Activities
		processes and reduce opportunities for corruption -- Create public monitoring and reporting mechanisms to expose corruption
Strengthen Independent Media	Malawi	-- Train journalists to report/analyze corruption -- Create Media Council to improve press freedom, ethical standards, accredit journalists -- Freedom of Information Act passed and amendments to the Communications Act
	Moldova	-- Create public-private working group to issue recommendation to increase the role of mass media in monitoring anti-C reforms
	Tanzania	-- Train journalists in investigative reporting skills
	Niger	-- Train 100 journalists to collaborate with civil society organizations to investigate and combat corruption
	Rwanda	-- Build the professional capacity of journalists, media outlets, media owners, and professional media associations to closely monitor the activities of police and civil servants
	Ukraine	-- Through training, TA and grants improve press coverage of corruption issues
Expand/Enhance the Work of Civil Society Organizations to Monitor and Advocate	Malawi	-- Provide small grants to Malawian civil society organization to disseminate anti-corruption messages
	Moldova	Provide grants/training/TA to anti-C NGOs to monitor government activity and reform efforts
	Philippines	-- Support civil society participation in the Multi-Sectoral Anti-Corruption Council (MSACC) -- Build capacities of anticorruption NGOs and coordinate their efforts; -- Conduct regular public fora to report progress on government anti-corruption; -- Provide civil society column in Threshold Program website
	Tanzania	--Train and mobilize civil society monitors at national and local levels To track local government expenditures
	Zambia	-- Partner with Transparency International to monitor process reengineering and disseminate information and to be recipient of complaints relation to corruption
	Kyrgyz Republic	-- Develop, in conjunction with the mass media, a public awareness campaign on the detection, investigation, and prosecution of corruption
	Uganda	--Provide technological, equipment and logistical support to Inter-Agency Forum (IAF) (where five anti-C agencies and civil society groups exchange info) -- Build human, technological, and programmatic capacity of civil society organizations so that they can more effectively engage public in debate on good governance and reducing corruption -- Support the Directorate of Ethics and Integrity's and IAF's public information campaign the dissemination of critical information -- provide legal aid for public
	Peru	-- Strengthen the capacity of civil society organizations to assess and monitor transparency in government -- Conduct a communication campaign to foster citizen participation in anti-corruption efforts
	Niger	-- Foster collaboration between civil society organizations and independent journalists to investigate and combat corruption

Objective	Country	Activities
	Rwanda	-- Build the capacity of civil society organizations to engage with the Government of Rwanda and support citizen participation in election and community radio organizations; encourage greater interaction between civil society organizations and local officials
	Ukraine	-- Provide grants to NGOs (1) to do surveys to develop and disseminate data on anti-C efforts to increase public awareness; and (2) to monitor government and advocate for reform.
Public Procurement Reform	Albania	--Enhance institutional mechanisms to detect/punish corrupt practices -- Establish e-procurement system -- Bring existing procurement system into fuller compliance with 1995 law by adopting new regulations -- Provide professional training for procurement officers to strengthen oversight capabilities at Public Procurement Agency and other GOA procurement entities
	Kenya	--Strengthen capacity of the newly created Public Procurement Oversight Authority through technology and training --Develop and role-out e-procurement in five key Ministries (Education, Roads and Public Works, Energy and Health) and the Office of the President --Develop and implement new procurement regulations and guidelines --Institute proper records management protocols for public entities
	Indonesia	--Establish 5 regional procurement centers linked electronically -- Support baseline data collection from these centers to set performance targets for the reduction of single source procurements
	Malawi	-- Build professionalism and skills, as well as capacity to train government Internal Procurement Committees at Dept. of Public Procurement
	Tanzania	--Conduct procurement, contract and performance audits of government ministries and department and local government authorities to ensure compliance with law --Strengthen oversight and regulatory capacity of Public Procurement Regulatory Authority through training and expansion of Information Management systems
	Niger	-- Support the Public Procurement Regulatory Agency by training public procurement officials and establishing a website and procurement bulletin to inform public
	Uganda	-- Build capacity with the Public Procurement Authority (PPDA) by improving financial management systems, increasing audits, investigating findings, developing a national certification system and establishing procurement providers' registry -- Increase human and logistical capacity at the Office of the Auditor General by training and provision of equipment and technology
Tax Administration/ Budget Execution/ Customs/Financial Management Reform	Albania	--Limit tax officials' personal interaction with taxpayers and discretion in tax assessment/collection --Broaden tax base --Improve tax collection by upgrading IT --Upgrade expertise of tax collectors, internal auditors and judiciary through training --Create more effective legal environment for taxation
	Guyana	-- Implement tax payer assistance program to reduce cost of compliance with value-added tax (VAT); educate public on VAT implementation -- Create improved filing, payment, and audit procedures at the Guyana Revenue Authority (GRA)

Objective	Country	Activities
		<ul style="list-style-type: none"> <li>-- Create an economic policy analysis unit at the Ministry of Finance</li> <li>-- Create a tax analysis unit in the GRA</li> <li>-- Train GRA in intelligence gathering, information technology and techniques to prevent tax evasion</li> </ul>
	Malawi	<ul style="list-style-type: none"> <li>-- Procure and deploy Integrated Finance Management Information System</li> <li>-- Build fiscal management capacity by strengthening Ministries of Finance, Economic Planning and the Malawi Revenue Authority</li> </ul>
	Moldova	<ul style="list-style-type: none"> <li>--Create single info center to provide tax forms and advice</li> <li>--Create fraud prevention division in the fiscal service</li> <li>--Improve recruitment and ethics code implementation systems in Customs and improve ability of internal security Section to initiate investigations</li> <li>--Introduce Computerized Transit System and create independent team to monitor and report on corruption at crossings</li> <li>--Launch an integrated information system at the Interior Ministry's guard units</li> </ul>
	Jordan	<ul style="list-style-type: none"> <li>-- Introduce single customs window facility</li> <li>-- Upgrade to the Automated System for Customs Data (ASYCUDAWorld) declaration system</li> <li>-- Train trainers within the Jordan Customs Department and conduct training program on risk-based clearance procedures, enforcement procedures, and procedures for the single window; provide training on international best practices and customs integrity</li> <li>-- Fully implement the revised Arusha Declaration for Customs Integrity</li> </ul>
	Paraguay	<p>Increase Efficiency/Transparency of Government Tax Authority to reduce informal business transactions and increase tax compliance</p> <p>Strengthen the MOF's internal investigation capacity to investigate tax and custom's fraud</p>
	Philippines	<p>Support Run-After-Tax-Evaders (RATE) program of the Bureau of Internal Revenue</p> <ul style="list-style-type: none"> <li>-- Institutionalize RATE program with own staffing and budget;</li> <li>-- Train staff in tax fraud, criminal investigation and develop financial prosecution skills;</li> <li>-- Computerize all remaining 75 non-computerized regional district offices to improve tax administration,</li> <li>--Develop an automated Human Resource Information System (HRIS)</li> </ul> <p>Strengthen Run-After-The-Smugglers (RATS) program of the Bureau of Customs</p> <ul style="list-style-type: none"> <li>-- institutionalize RATS program to strengthen investigative and prosecutorial skills of staff, develop and implement IT;</li> <li>-- Develop evidence security and acquire surveillance equipment;</li> <li>-- Harmonize all customs laws and regulations for effective enforcement, and</li> <li>-- Establish internal control office and integrity program to curb corruption within its own ranks.</li> </ul>
	Ukraine	<p>Establish two temporary Centers for Policy Excellence in the Ministry of Transportation and State Customs Services to development proposal for the systemic reform and reduction in regulations of trans-border transportation and export/import operations, including an integrated data base.</p>
	Zambia	<ul style="list-style-type: none"> <li>-- Streamline and simplify VAT registration</li> <li>-- Improve and coordinate customs administration to reduce import and export times at border</li> </ul>
Business Registration/Business	Albania	<ul style="list-style-type: none"> <li>--Establish a single office (the National Business Center) for electronic filling of all documents to register a business</li> </ul>

Objective	Country	Activities
Friendly Regulations		--Create unified registration form and simplified procedures --Decrease time frame for business registration
	Paraguay	--Design and implement one stop shops and call centers to facilitate legal registration of businesses
	Ukraine	-- Reform permit system in the construction sector through introduction of one-stop shops and streamline land regulations
	Niger	-- Streamline procedures for business creation and land access and titling -- Computerize the processes for starting businesses, in addition to exploring alternative incomes for institutions dependent on business start-up fees -- Publish how-to guide on business creation
	Guyana	-- Establish a computerized linkup of business records, databases, and deeds registry to modernized business registration and speed the processing time -- Expand the investment facilitation offices at GO-Invest and train staff in registration practices
	Zambia	--Establish the Zambian Development Agency as a one-stop shop for investors and businesses --Simplify framework of economic regulations --Set up Patents and Companies Registration offices in provincial capitals
Establish Financial Intelligence Unit (FIU)/Other Anti-Money Laundering Activities	Indonesia	--Increase the capacity of the Financial Transaction Reports and Analysis Center (FTRAC) to analyze online financial reports --Enhance "know your customer" education and public awareness --Establish on-line communications system between FTRAC and law enforcement agencies
	Malawi	-- Establish FIU
	Tanzania	--Establish an FIU to receive/analyze information from financial institution and disclose suspicious info to appropriate authorities -- Strengthen ability of FIU to track cases investigated and to compile and disclose statistics of frozen/confiscated funds/assets
	Kyrgyz Republic	-- Improve capacity of vetted unit to investigate money laundering and other financial crimes -- Improve the system of financial disclosure, including the declaration of assets by civil servants and monitoring expenses
Higher Education Reform	Ukraine	--Strengthen Ukrainian Center of Evaluation of Education to implement the external testing system --Develop a functioning security system for test results, ensure that 100% of students are tested and test centers are operational.
Health Care Procurement	Kenya	-- Strengthen Kenya Medical Supplies Agency's (KEMSA) procurement capacity and accountability -- Improve supply chain Management of public health resources Establish capacity at Ministry of Health to monitor and assess KEMSA's procurement function --Strengthen supervision of medical supplies delivered to rural facilities

