

Summary of MCC Threshold Programs

The Millennium Challenge Threshold Program is designed to assist countries that have demonstrated significant commitment to improving their performance on MCC selection criteria for MCA Compact funding, but do not yet pass all three selection categories. The threshold program helps those countries improve a low score on at least one of MCC's policy indicators. To date, MCC has signed threshold program agreements with twenty countries totaling over \$485 million. Below are the summaries of MCC's Threshold Programs:

Albania



Reducing corruption is the primary focus of the approximately \$13.8 million Albania Threshold Program.

Albania is receiving assistance from MCC to fund three programs aimed at reforming tax administration, public procurement and business administration. The program anticipates reducing the bribes and bureaucracy needed to start a business while increasing the national tax base. In October 2008, MCC signed a second, or stage II, threshold program worth over \$15.7 million which will build upon the successes of MCC's first program with Albania.

Burkina Faso



Burkina Faso's approximately \$12.9 million threshold program is a pilot program that seeks to improve performance on girls' primary education completion rates. Specific interventions include: the construction of 'girl-friendly' schools, teacher training, providing take-home dry rations to girls who maintain a 90 percent school attendance rate, and providing literacy training for mothers.

Guyana



The approximately \$6.7 million threshold program with Guyana aims to improve its fiscal policies and create a more business-friendly environment. The grant will help the Government of Guyana implement its new value-added tax system and develop ways to assist and educate taxpayers, while at the same time helping the government better plan and control spending. The grant will also help reduce the number of days and costs to start a business by modernizing and streamlining the process to register businesses.

Indonesia



The approximately \$55 million threshold program with Indonesia seeks to immunize at least 80 percent of children under the age of one for diphtheria, tetanus, and pertussis and 90 percent of all children for measles. The Threshold Program also has a component aimed at curbing public corruption by reforming the judiciary.

Jordan



The approximately \$25 million Jordanian Threshold Program aims to strengthen democratic institutions by supporting Jordan's efforts to broaden public participation in the political and electoral process, increasing government transparency and accountability, and enhancing the efficiency and effectiveness of customs administration. The Threshold Program is apart of Jordan's reform efforts focused on improvements in public administration, civil liberties, infrastructure and the economy.

Kyrgyz Republic



The approximately \$16 million program seeks to increase the independence and effectiveness of the judicial system, develop a more functional and trusted police force, improve the government's capacity to investigate and prosecute corruption cases, educate the public and media on the dangers of corruption and strengthen the financial disclosure system.

Kenya



Kenya's approximately \$12.7 million threshold program aims to reduce opportunities for corruption in public governance. Specifically, the threshold program will target corruption in public procurement, the delivery of health care, and the monitoring and evaluation of reforms.

Liberia



Liberia's three-year, \$15 million MCC threshold program is promoting equal access to land and increased land security through better understanding of property rights issues and improved land administration. The program also focuses on improving girls' primary education enrollment and retention through a scholarship program for girls, grants to communities to improve the school environment, and grants supporting mentoring programs and awareness campaigns. Additionally, the program is supporting efforts to improve trade policy and practices, specifically in harmonizing tariffs, engaging regional and global bodies, and strengthening the regulatory environment.

Malawi



Malawi is implementing fifteen specific interventions over the two-year period of its approximately \$20.9 million threshold program aimed at preventing corruption, enhancing oversight functions, and building enforcement and deterrence capacity. The interventions intend to create more effective legislative and judicial branches of government, provide support for lead anti-corruption agencies, strengthen independent media coverage, and expand and intensify the work of civil society organizations.

Moldova



The approximately \$24.7 million Moldovan Threshold Program seeks to reduce corruption in the public sector through reforms to the judicial, health, tax, and customs systems. The reforms will complement Moldova's national strategy aimed at reducing corruption.

Niger



The three-year, approximately \$23 million Niger Threshold Program will focus on reducing public corruption within the health and education sectors, streamline the process of starting a business by establishing the administrative, legal and regulatory structures required to implement business facilitation reforms, reduce the time and costs associated with land ownership transfer, land valuation, building permitting and notarization and bolster girls' education by building "girl-friendly" schools.

On December 9, 2009, MCC's Board voted to suspend MCC's \$23 million threshold program with Niger. The Board reviewed the recent actions by the Government of Niger, which constitute a significant policy reversal from the time the country was selected for an MCC grant, and took the action in accordance with MCC's Policy on Suspension and Termination

Paraguay



The principal objective of the approximately \$37 million Paraguay Threshold Program is to reduce corruption. MCC funds will be used to strengthen the rule of law by increasing penalties for corruption and build a transparent business environment by confronting informal business transactions. Additionally, the Threshold Program includes a business development component aimed at reducing the number of days necessary to start a business.

Peru



The approximately \$35.6 million Peru Threshold Program seeks to increase immunization rates of rural children against diseases such as measles, diphtheria, pertussis and tetanus in eight targeted regions and assist Peru's Ministry of Health in strengthening information and vaccination management systems. The program

will also help Peru combat corruption by working with the judicial branch, law enforcement, the ombudsman and controller's offices and civil society organizations to improve internal controls, as well as analyze and simplify administrative processes to reduce opportunities for corruption.

Philippines

The approximately \$22.1 million Philippines Threshold Program aims at improving revenue administration



and anti-corruption efforts in the Philippines. Specifically, the program will reduce corruption by strengthening the Office of the Ombudsman and strengthen enforcement within three departments in the Department of Finance.

Rwanda



The two-year, approximately \$24.7 million program with Rwanda will strengthen civic participation and promote civil liberties and rights by providing training, technical support and grants to local and national civil society organizations, offering training on election monitoring and voter education and supporting independent community radio stations to enhance citizen engagement. The program will also reinforce Rwanda's efforts to support judicial capacity building, legislative reforms and improve overall public administration. Finally, the program will provide training and technical assistance to journalists as well as the Rwandan National Police in an effort to increase transparency.

São Tomé and Príncipe



The approximately \$8.66 million São Tomé and Príncipe threshold program seeks to increase revenue as a result of improved tax and administration and enforcement. The program will also modernize São Tomé and Príncipe's Customs Service to increase efficiency and reduce the time and cost of starting a business.

Tanzania



The approximately \$11.1 million Tanzania threshold program is focused on four specific anti-corruption initiatives that include: building the nongovernmental sectors monitoring capacity; strengthening the rule of law for good governance; establishing a Financial Intelligence Unit; and curbing corruption in public procurement.

Uganda



In Uganda, the approximately \$10.4 million threshold program aims to reduce corruption by improving public procurement and financial management practices, strengthening the role of civil society, and building capacity to facilitate more effective follow-up of reported malpractices.

Ukraine



The approximately \$48.1 million Ukraine threshold program that focuses on reducing corruption by strengthening their civil society's ability to monitor and expose corruption. The program will also enable the Ukrainian government to increase the monitoring and enforcement of ethical and administrative standards.

Zambia



The approximately \$24.3 million Zambia threshold program focuses on reducing corruption and improving government effectiveness. The Program is funding three components aimed at increasing control of corruption within the public sector, improving public service delivery to the private sector and strengthening border management of trade.