



MILLENNIUM
CHALLENGE CORPORATION

UNITED STATES OF AMERICA

Policy for Monitoring and Evaluation of Compacts and Threshold Programs

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Policy for Monitoring and Evaluation of Compacts and Threshold Programs

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1. PURPOSE

A focus on results is one of the core principles on which the Millennium Challenge Corporation (MCC) was founded. The monitoring and evaluation (M&E) of Compact and threshold programs and their results put that principle into practice.

MCC's results framework reflects a commitment to technically rigorous, systematic and transparent methods of projecting, tracking and evaluating the impacts of its programs. Coupled with transparency, this approach is a cornerstone of MCC's commitment to accountability and learning. MCC's focus on results is motivated by some of the basic questions of aid effectiveness:

- Do the expected results of this program justify the allocation of scarce aid dollars?
- Has program implementation met predetermined benchmarks for progress?
- Has the investment achieved its goals?
- What can we learn from the experience to inform future programs and international best practice?

M&E provides information necessary to answer these questions. To that end, this policy sets forth the requirements for monitoring and evaluation of MCC Compacts and threshold programs.

2. SCOPE

From and after the effective date of this policy, this policy will govern the monitoring and evaluation of (i) all Compacts, initial M&E Plans, and revisions to M&E Plans, provided that any M&E Plans and any revisions to M&E Plans that were approved by MCC prior to the effective date of this policy do not have to comply with this policy until their next revision; and (ii) all Threshold Program Agreements signed after the effective date. The policy will govern the monitoring and evaluation of all Compacts and threshold programs regardless of the organization responsible for implementation of the Compact or threshold program.

Capitalized terms used herein have the meanings set forth in Annex I to this policy.

3. AUTHORITIES

MCC's operations are governed by U.S. law and MCC's own policies and procedures. MCC has adopted the various policies and guidelines listed below in Section 3.2 to comply with its statutory mandate and to ensure basic accountability from the governments of countries receiving MCC assistance.

3.1 Acts

- a. Section 609(b)(1)(C) of the Millennium Challenge Act of 2003, as amended



3.2 Related MCC Policies and Procedures

- a. Guidelines for Economic and Beneficiary Analysis
- b. Guidance on Common Indicators (forthcoming)
- c. Policy on the Approval of Modifications to MCC Compact Programs
- d. Guidance on Quarterly MCA Disbursement Request and Reporting Package
- e. Program Procurement Guidelines
- f. Interim Activity Review Guidance
- g. Guidelines for the Program Closure of Millennium Challenge Compacts
- h. Gender Policy
- i. Gender Integration Guidelines
- j. Guidelines for Public Use Data (forthcoming)
- k. Threshold Program Guidance (forthcoming)

4. POLICY FOR COMPACTS

4.0 Introduction

Monitoring is the continuous, systematic collection of data on specified indicators to provide indications of progress toward objectives and the achievement of intermediate results along the way. While good program monitoring is necessary for program management, it is not sufficient for assessing ultimate results. MCC therefore advocates the use of different types of evaluations as a complementary tool to better understand the effectiveness of its programs.

Evaluation is the objective, systematic assessment of a program's design, implementation and results. MCC is committed to making its evaluations as rigorous as warranted in order to understand the causal impacts of its programs on the expected outcomes and to assess cost effectiveness.

Monitoring and evaluation are integrated into the entire life cycle of a Compact from concept through implementation and beyond. During Compact development a clear program logic and objectives and benchmarks to measure progress over the life of the Compact are identified. Economic Analysis is performed on each project proposal submitted to MCC. That analysis includes assessing the economic growth rationale for the investment, calculating an economic rate of return (ERR), and conducting Beneficiary Analysis.¹ The Economic Analysis is the key pillar of the Monitoring and Evaluation Plan (M&E Plan). Variables capturing the benefit streams in the ERR are included as key performance indicators and targets in the M&E Plan. Gaps in data availability and data quality that are identified during Compact development also

¹ See MCC's *Guidelines for Economic and Beneficiary Analysis* for more information.



serve as the basis for planning monitoring and evaluation activities and their associated costs for the period of Compact implementation.

After a Compact is signed, the partner country's Accountable Entity (also referred to as MCA) and MCC finalize an M&E Plan that provides the framework for monitoring and evaluating Compact Activities. The monitoring component of the M&E Plan lays out the methodology and process for assessing progress towards the Compact Goal. It identifies indicators, establishes performance targets and details the data collection and reporting plan to track progress against targets on a regular basis. The evaluation component identifies and describes the evaluations that will be conducted, the key evaluation questions and methodologies, and the data collection strategies that will be employed.²

4.1 Developing Compact Monitoring and Evaluation Plans

4.1.1 Purpose of the Monitoring and Evaluation Plan

The M&E Plan is a tool to manage the process of monitoring, evaluating and reporting progress toward Compact results. It is used in conjunction with other tools such as work plans, procurement plans, and financial plans.

The M&E Plan serves the following main functions:

- Explains in detail *how* and *what* the MCC and MCA will a) monitor to determine whether the Projects are on track to achieving their intended results and b) evaluate to assess implementation strategies, provide lessons learned, determine cost effectiveness and estimate the impact of Compact interventions;
- Includes all indicators that must be reported to MCC on a regular basis;
- Includes a description of complementary data to be collected by MCA for evaluation of programs, but not reported to MCC on a regular basis, including qualitative studies;
- Includes any M&E requirements that the MCA must meet in order to receive disbursements;³ and
- Serves as a communication tool, so that MCA staff and other stakeholders clearly understand the objectives and targets the MCA is responsible for achieving.

4.1.2 The Compact and the M&E Plan

All Compacts include a description of the Monitoring & Evaluation Plan (referred to herein as the Compact M&E Summary⁴) which represents the negotiated legal agreement

² The M&E Plan may exclude some evaluations that are conducted as part of the MCA Program that do not directly relate to assessing progress toward results or impacts.

³ Substantial compliance with the M&E Plan is a condition for approval of each quarterly disbursement request by the country.

⁴ As of the date of this policy, the Compact M&E Summary appears as Annex III to the Compact.



between the country government and MCC on broad M&E issues. Specifically, the Compact M&E Summary must include:

- A summary of the program logic, including the Goal, Objectives, and expected Outcomes;
- The number of expected beneficiaries by Project, defined in accordance with MCC's *Guidelines for Economic and Beneficiary Analysis*;
- A select number of key indicators, drawn from the variables in the economic analysis and the broader program logic, at the Goal and Outcome levels with their definitions, baseline values, and Year 5 targets;
- Output indicators when possible with their definitions, baseline values, and Year 5 targets;
- General requirements for data collection, reporting, and data quality reviews;
- The specific requirements for evaluation of every Project and a brief description of the proposed methods that will be used;
- A brief description of other components of the M&E Plan (such as M&E costs and assumptions and risks); and
- Requirements for the implementation of the M&E Plan, including information management and MCA responsibilities.

For Compacts where significant results are expected after Compact completion, the Compact M&E Summary may also include a description of results that are expected after Year 5. In such cases, the Compact M&E Summary also should express the intent of both parties to continue the monitoring and evaluation of Compact results beyond Year 5.

After the Compact is signed, the full M&E Plan must be developed using the Compact M&E Summary as a basis. The Compact M&E Summary indicators are typically not changed in developing the full M&E Plan. However if it is necessary to make changes those modification must follow the policy for modifying M&E Plans found in Section 4.2 of this policy. Once completed, the M&E Plan must be approved as described in Section 4.1.9 of this policy.

4.1.3 Responsibility for Developing the M&E Plan

Primary responsibility for developing the M&E Plan lies with the MCA M&E lead with support and input from MCC's M&E lead and Economist. The M&E Plan must be developed in conjunction with key stakeholders, including MCA leadership and sector leads, the MCC Resident Country Mission, and others within MCC, such as Environmental and Social Assessment (ESA) and Social and Gender Assessment (SGA) leads, MCA Project/Activity leads, as well as external stakeholders, as applicable. While the entire M&E Plan must be developed collaboratively, MCC and MCA Project/Activity leads are expected to guide the selection of indicators at the process and output levels that are particularly useful for management and oversight of Activities and Projects. MCC is

committed to “[refrain] from requesting the introduction of performance indicators that are not consistent with countries’ national development strategies.”⁵

4.1.4 *Timing of the Initial M&E Plan*

Specific timing for the finalization of the initial Compact M&E Plan, which is usually at, or within a few months of, Entry into Force, is established in an agreement entered into with the partner country that is supplemental to the Compact. Usually the MCA M&E personnel need to be in place and Project work plans need to be agreed upon before the initial M&E Plan can be finalized.

4.1.5 *Types of Indicators*

Indicators are used to measure progress toward the expected results throughout the implementation period. Different types of indicators are needed at different points in time to trace the Program Logic. All indicators should have a specified unit of measurement, which must align with MCC’s approved list of units of measurement. Units may be added to this list at the request of an MCA if necessary, but they will be subject to MCC approval.

4.1.5.1 *Indicator Levels*

At MCC, indicators are separated into the following levels:

- **Process Indicators:** These indicators measure progress toward the completion of Project Activities. They are a precondition for the achievement of Output Indicators and a means to ascertain that the work plan is proceeding on time.
- **Output Indicators:** These indicators directly measure Project Activities. They describe and quantify the goods and services produced directly by the implementation of an Activity.
- **Outcome Indicators:** These indicators measure the intermediate effects of an Activity or set of Activities and are directly related through the Program Logic to the output indicators.
- **Goal Indicators:** These indicators measure the economic growth and poverty reduction that occur during or after implementation of the program. For MCC Compacts, goal indicators will typically be a direct measure of local income.

4.1.5.2 *Indicator Classifications*

Indicators must be classified as one of the three following types of indicators:

⁵ Busan Partnership for Effective Development Cooperation, Busan Outcome Document, 1 December 2011, p. 5.

- **Cumulative:** These indicators report a running total, so that each reported actual includes the previously reported actual and adds any progress made since the last reporting period. Example: If there are 1,000 farmers trained by Quarter 9 and 200 are trained in Quarter 10, the reported value for Quarter 10 is 1,200.
- **Level:** These indicators track trends over time. Example: Percentage of households with electricity in Zone 1. Each year, the value could go up or down depending on the number of households in Zone 1 and the number of households with electricity connections. Therefore, the reported values may be 50% for Year 1 and then 48% for Year 2 and then 52% for Year 3.
- **Date:** These indicators use calendar dates instead of numbers as targets and reported actual values.

4.1.5.3 *Common Indicators*

Common indicators are used by MCC to measure progress across Compacts within certain sectors. They allow MCC to aggregate results across countries and report to key external stakeholders. Common indicators may be specified at all indicator levels (process, output, outcome and goal). The common indicators will be specified in MCC's *Guidance on Common Indicators* (forthcoming), which will be updated at MCC's discretion. Usually they will be in sectors where MCC is investing significant resources. Each MCA must include the common indicators in their M&E Plan when the indicators are relevant to that country's Compact Activities. Disaggregated data on common indicators should be reported to MCC as specified in the guidance.

4.1.5.4 *Indicator Inputs*

Some indicators are composites of multiple variables, such as percentages where the indicator value is calculated using at least two pieces of information. The key inputs to these indicators must be reported to MCC.

4.1.6 *Criteria for Selecting Indicators*⁶

Indicators in the Compact and M&E Plan should strive to meet the following criteria:

Direct: An indicator should measure as closely as possible the result it is intended to measure.

Unambiguous: The definition of the indicators should be operationally precise and there should be no ambiguity about what is being measured or how to interpret the results.

⁶ Some of these criteria are drawn from USAID's Performance Monitoring and Evaluation TIPS, 1996, Number 6 and USAID ADS 203, 9-1-2008 version.



Adequate: Taken as a group, indicators should sufficiently measure the result in question. Developers of the M&E Plan should strive for the minimum number of indicators sufficient to measure the result.

Practical: An indicator is practical if data can be obtained in a timely way and at a reasonable cost.

Useful: Indicators selected for inclusion in the M&E Plan must be useful for MCC management and oversight of the Compact. Where appropriate, MCC should ensure that MCC common indicators are included in the M&E Plan to permit MCC monitoring across countries.

Lower-level indicators (Process and Output) come from and are consistent with Project and Activity work plans. These indicators are useful for Project and Activity level management and help to track implementation progress. The Process Indicators included in the M&E Plan should be limited to common indicators for sectors that have common Process Indicators. For activities in sectors without common Process Indicators, only a few key Process Indicators should be added to the M&E Plan.

Higher-level indicators (Goal and Outcome) are typically but not exclusively drawn from the benefit streams in the economic rate of return analysis and help to demonstrate Compact results over time.

The M&E Plan indicators must be kept to the minimum necessary, such that the M&E Plan conforms to the best practice that performance should be “based on a manageable number of output and outcome indicators drawn from the development priorities and goals of the developing country.”⁷ MCAs are welcome to monitor additional indicators at the Activity level for their own management and communication purposes but these should not be included in the M&E Plan nor reported to MCC, unless specifically requested by MCC. MCAs should be cautious about supplementing the M&E Plan with too many other indicators that might overburden the MCA’s M&E staff or might not be realistic in light of M&E resources.

4.1.7 *Establishing Baselines and Targets*

Every indicator selected must have a baseline. An indicator’s baseline should be established prior to the start of the corresponding Activity. Baselines demonstrate that the problem can be specified in measurable terms, and are thus a pre-requisite for adequate intervention design.

Indicators in the M&E Plan must include annual targets whenever possible and appropriate. For indicators derived from the economic analysis, targets should be set based on the economic rate of return model. In cases where project design or ERR analysis directly and explicitly links performance to gender-specific outcomes, these targets will be established for women’s and men’s participation in the activity. MCC does not require quarterly targets; however, the MCA may choose to set quarterly targets for

⁷ Busan Partnership for Effective Development Cooperation, *Busan Outcome Document*, 1 December 2011, p. 5.



internal management purposes. Quarterly reporting of progress against annual targets is required by MCC, as documented in the M&E Plan, even though quarterly targets are not required.

4.1.8 Contents of an M&E Plan

The M&E Plan must contain the following elements (order below is required):

- Overview of the Compact and its Objectives
 - Program Logic
 - Projected Economic Benefits and Beneficiaries (Beneficiaries must conform to the MCC definition of a Beneficiary as per MCC's *Guidelines for Economic and Beneficiary Analysis*; Beneficiaries should be disaggregated by sex, age and other socio-economic characteristics to the extent possible with available data)
- Monitoring Component
 - Summary of Monitoring Strategy, including planned qualitative studies
 - Data Quality Reviews (identifies the scope, timing and frequency of reviews)
 - Standard Reporting Requirements
- Evaluation Component (every Project must be covered)
 - Key evaluation questions
 - Evaluation methodologies
 - Data collection plans
 - Timing of analytical reports
- Implementation and Management of M&E
 - Responsibilities
 - MCA's Management Information System for M&E
 - Review and Revision of the M&E Plan
- M&E Budget (include all sources of funding for M&E, including MCC funds to be spent during the Compact)
- Annex: Indicator Documentation Table (includes all indicators at all levels and specifies at least the following: precise definition, timing and frequency of data collection, data source, and responsible entity. The table should include disaggregated indicators. Indicators that report on number of beneficiaries affected by an activity should be disaggregated by sex and by age and other socio-economic characteristics like ethnicity where relevant to compact activities.)
- Annex: Table of Indicator Baselines and Targets (contains all indicators, unit of measurement, baselines and targets)
- Annex: Modifications to the M&E Plan (cf. Section 4.2)

The "Indicator Documentation Table," "Table of Indicator Baselines and Targets," and "Modifications to the M&E Plan" must use MCC's standard templates.

4.1.9 MCC Peer Review and Approval of the Initial M&E Plan

The M&E Plan will undergo peer review within MCC before the beginning of the formal approval process. The initial M&E Plan must be approved by the MCA Board of Directors prior to its formal submission to MCC. As the final step in the process, MCA must then send the M&E Plan to MCC for formal approval. The M&E Plan sent for MCC approval must be in English.

4.2 Modifying Monitoring and Evaluation Plans

M&E Plans will be revised as needed during the life of the Compact to adjust to changes in the Program's design and to incorporate lessons learned for improved performance monitoring and measurement. The M&E Plan may be modified or amended without amending the Compact. However, any such modification or amendment of the M&E Plan by the MCA must be approved by MCC in writing and must be otherwise consistent with the requirements of the Compact and any relevant Supplemental Agreements. For more information on the procedure for the approval of modifications, see Section 4.2.8. With notice to the MCA, MCC may make non-substantive changes to the M&E Plan as necessary. Some examples of non-substantive changes could include revising units to correspond to MCC's approved list of units of measurement or standardizing indicator names.

4.2.1 Modifying Indicators

Indicators in the M&E Plan can be modified as follows:

- A new indicator may be added
- An existing indicator may be removed
- A descriptive quality of an existing indicator may be changed such as the definition, source, frequency, etc.

An indicator may be added only for the following reasons:⁸

- Change to the Program, Project or Activity scope that results in a new indicator being relevant
- Recalculation of the ERR such that a new indicator is now relevant (i.e., a new benefit stream has been added)
- Existing indicators do not sufficiently meet the "adequacy" criteria for indicators (i.e., taken together, the existing indicators are insufficient to adequately measure progress towards results)
- New issues emerge, such as those related to gender, suggesting the importance of a new indicator

⁸ This applies to indicators added to any M&E Plan (including the initial M&E Plan), that were not included in the Compact M&E Summary.

- MCC requires that a new common indicator be used for measurement across all Projects of a certain type
- The unit of measurement of an indicator is changed

All new or changed indicators should comply with the Criteria for Selecting Indicators found in Section 4.1.6.

An indicator may be removed only for the following reasons:

- Changes to the Program, Project or Activity scope that render the indicator irrelevant
- Recalculation of the ERR such that the original indicator is no longer relevant (i.e., no longer in the benefit stream or assumptions)
- The cost of collecting the data for the indicator outweighs its usefulness (cost in terms of time and/or money)
- The indicator's quality is determined to be poorer than initially thought when the indicator was selected for inclusion in the plan
- An indicator has been added which is deemed to be a superior way of measuring the same variable

4.2.2 *Modifying Baselines*

Baselines may only be modified under the following circumstances:

- New, credible information emerges on existing variables or new variables, such as new survey data that is determined by MCC to be untainted by any Project Activities
- Changes to the Program, Project or Activity scope
- Corrections to erroneous data

4.2.3 *Modifying Targets*

Targets for Process Indicators may be modified when the Compact work plan is updated; however, modifications to these indicators should be kept to a minimum.

Targets for Goal, Outcome and Output indicators will be modified only as follows:

- For interim targets, modifications are permitted as long as the end of Compact target does not change.
- For end of Compact targets, modifications are permitted as follows:
 - For indicators linked to the ERR model, the modified targets will be analyzed by MCC to assess whether they maintain the integrity of the original ERR. If the new ERR is below the hurdle rate, the modified targets must be approved by MCC.
 - For indicators that are not linked to the ERR, their targets may only be modified under the following circumstances:

- Changes in baseline
- Changes to the Program, Project or Activity scope
- Occurrence of exogenous factors⁹
- Corrections to erroneous data.

4.2.4 Modifying Beneficiary Numbers

Beneficiary numbers in the M&E Plan may only be modified under the following circumstances:

- Changes in baseline
- Changes to the Program, Project or Activity scope
- Occurrence of exogenous factors¹⁰
- Corrections to erroneous data.

Changes in beneficiary numbers must be approved by MCC.

4.2.5 Other Modifications

Sections of the M&E Plan other than indicators, baselines, targets and beneficiary numbers will be updated over time as needed. These types of modifications include, but are not limited to changes to responsibilities for data collection, or modifications to an evaluation plan.

4.2.6 Timing and Frequency of Reviews and Modifications

M&E Plans may be reviewed and modified at any time. M&E Plans will be kept up-to-date and must be updated after a Modification to the Compact has been approved by MCC. In some cases, MCC may condition disbursement of Compact funding on M&E Plans being kept up-to-date. Many countries choose to review the M&E Plan annually during the annual work planning process.

4.2.7 Documenting Modifications

Justification for deleting an indicator, modifying an indicator baseline or target, modifying Beneficiary information or major adjustments to the evaluation plan must be adequately documented in English as an annex to the revised M&E Plan by MCA. MCAs

⁹ An exogenous factor is an autonomous factor that is external to the MCC and country government/MCA's control. Some examples include natural disasters and political turmoil.

¹⁰ An exogenous factor is an autonomous factor that is external to the MCC and country government/MCA's control. Some examples include natural disasters and political turmoil.

must use the standard modification template provided by MCC for documenting these modifications.

4.2.8 *Approval and Peer Review of M&E Plan Modifications*

All M&E Plan modifications made by the MCA must be submitted to MCC for formal approval. The M&E Plan may undergo peer review within MCC before the beginning of the formal approval process. Before requesting MCC approval, changes to the M&E Plan must be sent to the MCA Board of Directors for approval if they are considered substantial, as determined by MCA.

4.3 Reporting Performance Against the M&E Plan

MCAs must report to MCC on indicators in the M&E Plan on a quarterly basis using the Indicator Tracking Table (ITT). No changes to indicators, baselines or targets may be made in the ITT until the changes have been approved in the M&E Plan. Additional guidance on reporting is contained in MCC's *Guidance on Quarterly MCA Disbursement Request and Reporting Package*. In the case that an MCA submits a six-month disbursement request, the ITT must still be submitted quarterly.

Indicators that are identified in the M&E Plan as being disaggregated by sex and age should be reported in a disaggregated way to MCC. For example, the age bands used for disaggregating indicators may vary by type of project (e.g., children under 5 and/or women of child-bearing age for a health project, primary vs. secondary age children for a project targeting school enrollment). Justification should be provided for the selection of particular age bands for the project.

4.4 Data Quality and Data Quality Review

4.4.1 *Purpose of a Data Quality Review*

M&E data is the key source of information on progress towards the achievement of Compact results and supports decision making by program managers. Ensuring that the underlying data are of good quality is essential to maintain a high level of confidence in the decisions that are made using the data.

Data Quality Reviews (DQR) are a mechanism to review and analyze the utility, objectivity, and integrity of performance information. DQRs cover a) quality of data, b) data collection instruments, c) survey sampling methodology, d) data collection procedures, e) data entry, storage and retrieval processes, f) data manipulation and analyses and g) data dissemination.

4.4.2 *Data Quality Standards*

MCAAs should seek to ensure that M&E indicators meet the standards described in Section 5.1.6 and that the data used to measure those indicators meet the following standards.¹¹

Validity: Data are valid to the extent that they clearly, directly and adequately represent the result to be measured. Measurement errors, unrepresentative sampling and simple transcription errors may adversely affect data validity. Data should be periodically tested to ensure that no error creates significant bias.

Reliability: Data should reflect stable and consistent data collection processes and analysis methods over time. Project managers and M&E staff should be confident that progress toward performance targets reflects real changes rather than variations in data collection methods. Reliability can be affected by questionable validity as well as by changes in data collection processes.

Timeliness: Data should be available with enough frequency and should be sufficiently current to inform management decision-making. Effective management decisions depend upon regular collection of up-to-date performance information.

Precision: Data should be sufficiently accurate to present a fair picture of performance and enable project managers to make confident decisions. The expected change being measured should be greater than the margin of error. Measurement error results primarily from weakness in design of a data collection instrument, inadequate controls for bias in responses or reporting, or inadequately trained or supervised enumerators.

Integrity: Data that are collected, analyzed and reported should have mechanisms in place to reduce the possibility that data are subject to erroneous or intentional alteration.

4.4.3 *Conducting a Data Quality Review*

MCC requires that an independent entity conduct the DQR, such as a local or international specialized firm or research organization, or an individual consultant, depending on the size of the Program or Project in review. The MCA is responsible for selecting, awarding and administering DQR contracts in accordance with MCC's *Program Procurement Guidelines*.

The DQR should review data relative to the standards laid out in Section 4.4.2 of this policy. The M&E Plan will specify which data from the Plan will be included in the review and when. Depending on the data, the review could take place ex-ante, simultaneously, or after the data has already been reported.

The frequency and timing of data quality reviews must be set forth in the M&E Plan; however MCC may request a DQR at any time. DQRs should be timed to occur before or early enough in the Compact term that meaningful remedial measures (if any) may be taken depending on the results of the review. If survey data quality has been reviewed by

¹¹ These definitions are drawn from USAID ADS 203, 9-1-2008 version.



an independent evaluator to MCC's satisfaction, then an additional MCA-contracted DQR is not required.

The methodology for the review should include a mix of document and record reviews, site visits, key informant interviews, and focus groups.

4.4.4 Documentation and Follow-up

The reviews will be thoroughly documented in a report that will describe any weaknesses found in the a) data collection instruments, b) data sampling and/or collection methods, c) handling and processing of data by responsible entities, or d) reporting procedures. The report should also make recommendations for remedying those weaknesses where possible. Where a remedy is not technically possible or cost-effective, the report should identify replacement indicators or data sources that would be more accurate and efficient.

MCA's comments on the data quality review, including which recommendations will be implemented, will be attached to the final data quality review report. MCA comments must be submitted in English and approved by MCC.

The MCA will make a summary of the DQR final reports and the MCA comments publicly available on its website. MCAs are responsible for ensuring that MCC-approved recommendations of DQRs are followed through and implemented.

4.5 M&E Post-Compact

In conjunction with the Program Closure Plan, MCC and MCA will develop a post-Compact monitoring and evaluation plan designed to observe the persistence of benefits created under the Compact. This plan should describe future monitoring and evaluation activities, identify the individuals and organizations that would undertake these activities, and provide a budget framework for future monitoring and evaluation which would draw upon both MCC and country resources.

4.6 Evaluation

While good program monitoring is essential for program management, it is not sufficient for assessing ultimate results. Programs must also undergo evaluations in order to better understand the effectiveness of the program.

4.6.1 Mid-Course Evaluations

The term "Mid-Course Evaluations" is meant to include a wide range of possible evaluations and assessments, including interim activity reviews, mid-term reviews, mid-



term evaluations, ad hoc evaluations, special studies, qualitative studies, and process evaluations.¹²

Mid-Course Evaluations are not required for all Projects. However, MCC may decide to conduct such evaluations as necessary. MCAs may also consider conducting Mid-Course Evaluations to review progress during implementation, compile lessons learned, and provide a qualitative context for interpreting monitoring data. Mid-Course Evaluations can be used to improve the effectiveness and efficiency of implementation during the life of the Compact.

Depending on the type of Mid-Course Evaluation, it may be performed by a third party procured by either MCC or MCA or carried out directly by MCC or MCA staff.

4.6.2 Self Evaluation

Upon completion of each Compact program, MCC will comprehensively assess three fundamental questions: (i) Did the program the MCA meet Compact objectives; (ii) Why did the Compact program meet or not meet these objectives; and (iii) What lessons can be learned from the implementation experience (both procedural and substantive). The MCA staff drafts the Compact Completion Report (CCR) in the last year of compact implementation to evaluate these fundamental questions and other aspects of Compact program performance. After MCA staff drafts the CCR, MCC staff then drafts the Post-Completion Assessment Report (PCAR) within 6 months after the compact ends to evaluate these same fundamental questions and other aspects of Compact program performance.

4.6.3 Final Independent Evaluations

Every Project in a Compact must undergo a comprehensive, independent evaluation after completion or termination.¹³

Final evaluation objectives

Final evaluations support two objectives derived from MCC's core principles: accountability and learning. Accountability refers to MCC and MCA's obligations to report on their activities and attributable outcomes, accept responsibility for them, and disclose these findings in a public and transparent manner. Learning refers to improving the understanding of the causal relationships between interventions and changes in poverty and incomes.

Evaluation approaches

¹² Not all of these evaluations will appear in the M&E Plan because they do not directly relate to impacts or assessing progress toward results.

¹³ To the greatest degree possible, this evaluation should address the results of each Activity and/or sub-Activity in a Project.



MCC advances the objectives of accountability and learning by selecting from a range of independent evaluation approaches. MCC currently distinguishes between two types of evaluations, impact and performance evaluations, as defined below. At the minimum, each project should have an independent performance evaluation for accountability reasons.

Impact Evaluation – A study that measures the changes in income and/or other aspects of well-being that are *attributable* to a defined intervention. Impact evaluations require a credible and rigorously defined counterfactual, which estimates what would have happened to the beneficiaries absent the project. Estimated impacts, when contrasted with total related costs, provide an assessment of the intervention’s cost-effectiveness.¹⁴

Performance Evaluation – A study that seeks to answer descriptive questions, such as: what were the objectives of a particular project or program, what the project or program has achieved; how it has been implemented; how it is perceived and valued; whether expected results are occurring and are sustainable; and other questions that are pertinent to program design, management and operational decision making. MCC’s performance evaluations also address questions of program impact and cost-effectiveness.¹⁵

MCC balances the expected accountability and learning benefits with the evaluation costs to determine what type of evaluation approach is appropriate. Impact evaluations are performed when their costs are warranted by the expected accountability and learning. Specific guidelines and standards for the selection, preparation, review and dissemination of performance and impact evaluations will be issued by MCC.

Key outcomes

MCC evaluations identify the effects of MCC’s investment on outcomes for households and firms in the partner country. Particularly important are effects on household-level and intra-household material well-being, measured in terms of consumption or income, and firms’ net income. MCC evaluations may also include other outcome measures of well-being, such as physical, natural, and human capital assets.

Qualitative data collection to inform survey design and interpret survey results

Prior to designing the evaluation baseline survey, qualitative research (e.g., document reviews, interviews, and focus groups) should be used whenever possible to strengthen survey design (e.g., by helping to identify hypotheses; suggest or test identification strategies; identify topics, questions, response options, proxies, and language for surveys). At the evaluation stage, qualitative research is recommended to assist in interpreting survey results (e.g., reasons for highly successful projects, poor results, and unintended impacts). Qualitative methods may be particularly helpful for understanding social and gender dynamics that influence program outcomes and impacts.

Cost effectiveness

¹⁴ This definition has been adapted from USAID’s Evaluation Policy from January 2011.

¹⁵ This definition has been adapted from USAID’s Evaluation Policy from January 2011.



MCC evaluations should include a comparison of the total costs devoted to the Project to the gains in local incomes attributable to the Project, generating an ERR. When the changes in local incomes are not directly observed or the changes observed are not entirely attributable to the Project (as in the case of pre-post designs), evaluations should model these using the changes observed in other outcomes coupled with reasonable assumptions and evidence from other contexts.

Disaggregation

MCC evaluations should strive to disaggregate results by sex, age, and income whenever possible. In particular, MCC final evaluations should strive to disaggregate results by individuals' baseline level of poverty relative to the \$2-per-day line (in constant 2005 purchasing power parity-adjusted dollars).

Review and dissemination

Evaluation reports are subject to internal MCC review before being considered final. However, given MCC's commitment to having independent assessments of program impact, its internal review is focused solely on ensuring factual accuracy, and technically valid methodology and evaluation conduct. MCC expects to make final evaluation reports available on MCC's public website no later than six months after receiving draft evaluation reports. MCC may choose to subject an independent evaluation report to an external peer review. The review will be conducted by an independent, internationally respected institution, with terms of payment that protect the independence of the review.

All independent evaluation reports are publicly available and posted to the MCC website to ensure transparency and accountability.

5. POLICY FOR THRESHOLD PROGRAMS

5.0 Introduction

As with the Compact Program, monitoring and evaluation are integrated into the MCC Threshold Program from program development through implementation and beyond. During the development of a threshold country plan (TCP), MCC works with the government of the threshold program-eligible country to apply appropriate diagnostic tools, such as an analysis of policy and institutional constraints to economic growth, sector analysis, indicator analysis¹⁶ or other tool. The analysis provides direction for the design of activities and helps to focus feasibility and due diligence work in a narrow set of policy areas.

¹⁶ The Indicator Analysis analyzes the data that feeds into the eligibility indicators used in MCC's annual selection process. The data for the eligibility indicators are provided by third party indicator institutions. More information on MCC eligibility criteria can be found at www.mcc.gov.



The feasibility and due diligence studies are fundamental to informing the program logic and to setting targets for indicators that will be monitored over the life of the threshold program. The TCP must include a preliminary M&E Plan that identifies indicators, establishes performance targets and details the data collection and reporting plan to track progress against targets on a regular basis. The evaluation component of the M&E Plan identifies and describes the evaluations that will be conducted, the key evaluation questions and methodologies, and the data collection strategies that will be employed.

5.1 Developing the Threshold Program Monitoring and Evaluation Plan

The process of identifying performance indicators starts during development of the TCP and continues during the first months of program implementation. The TCP includes a program logic that identifies the connection between program activities, outputs, and outcomes. The logic diagram also indicates which assumptions underlie the connection between activities and expected results and is included in the finalized M&E Plan.

The M&E Plan demonstrates how the program logic will be tracked during the life of the program, serving the following functions:

1. Explains *how* program managers will monitor the various threshold program activities to determine whether they are on track to achieve their intended results.
2. Includes all indicators that must be reported to MCC on a regular basis.
3. Includes supplementary information on indicators, such as definitions, data sources, and relevant methods.
4. Serves as a guide for threshold program implementation and management, so that all stakeholders clearly understand the program objectives and targets.

5.1.1 Responsibility and Timing of the M&E Plan

MCC provides specific guidance for threshold program-eligible countries that outlines expected information and formats for the M&E Plan (see *Threshold Program Guidance*). The government of threshold program-eligible country is responsible for developing the M&E Plan, with support from MCC staff and, in most cases, the relevant implementing agency.

Specific timing for the finalization of the M&E Plan is usually within six months of the official start of a threshold program. In order to finalize the M&E Plan, activity work plans need to be agreed upon.

5.1.2 Indicator Criteria and Establishing Baselines and Targets

The M&E Plan and ITT may include process, output, and outcome indicators. See Section 4.1.5 of this policy for a description of indicator categories and terms.

The indicators included in the M&E Plan should meet the five indicator criteria included in Section 4.1.6 above – direct, unambiguous, adequate, practical and useful.

Every indicator selected must have both a baseline and an end of program target. Quarterly targets must also be included unless data are not available regularly.

5.1.3 Contents of an M&E Plan

The M&E Plan must contain the following elements (order below is required):

- Overview of the Threshold Program and its Objectives
 - Program Logic
 - Projected Benefits and Beneficiaries
- Monitoring Component
 - Summary of Monitoring Strategy, including planned qualitative studies
 - Data Quality Reviews (identifies the scope, timing and frequency of reviews)
 - Standard Reporting Requirements
- Evaluation Component (every Project must be covered)
 - Key evaluation questions
 - Evaluation methodologies
 - Data collection plans
 - Timing of analytical reports
- Implementation and Management of M&E
 - Responsibilities
 - Review and Revision of the M&E Plan
- M&E Budget (include all sources of funding for M&E, including MCC funds to be spent during the threshold program)
- Annex: Indicator Documentation Table (includes all indicators at all levels and specifies at least the following: precise definition, timing and frequency of data collection, data source, and responsible entity. The table should include disaggregated indicators. Indicators that report on number of beneficiaries affected by an activity should be disaggregated by sex and by age and other socio-economic characteristics like ethnicity where relevant to threshold program activities.)
- Annex: Table of Indicator Baselines and Targets (contains all indicators, unit of measurement, baselines and targets)
- Annex: Modifications to the M&E Plan (cf. Section 4.2)

The “Indicator Documentation Table,” “Table of Indicator Baselines and Targets,” and “Modifications to the M&E Plan” must use MCC’s standard templates.

5.2 Modifying Monitoring and Evaluation Plans

MCC must formally approve the M&E Plan before it is finalized. The M&E Plan will undergo peer review within MCC.



The M&E Plan will be revised as needed during the life of the threshold program to adjust to changes in the program's design and to incorporate lessons learned for improved performance monitoring and measurement. Any such modification or amendment of the M&E Plan must be approved by MCC in writing and must be otherwise consistent with the requirements of the threshold program and any relevant agreements.

5.2.1 Modifying Indicators, Baselines and Targets

Indicators, baselines and targets in the M&E Plan may be modified for the same reasons as listed above in sections 4.2.1, 4.2.2 and 4.2.3.

5.2.2 Modifications and Documentation

M&E Plans may be reviewed and modified at any time. M&E Plans will be kept up-to-date and must be updated after an activity undergoes a significant change in scope.

Justification for deleting an indicator, modifying an indicator, baseline, or target, or major adjustments to the M&E Plan must be adequately documented in English as an annex to the revised M&E Plan submitted to MCC.

5.2.3 Approval of M&E Plan Modifications

All modifications to the M&E Plan made by the program administrator must be submitted to MCC for formal approval. The M&E Plan will undergo peer review within MCC before formal approval at the discretion of the Managing Directors for M&E and for Policy Improvement.

5.3 Reporting Performance Against the M&E Plan

The government of the threshold program country, the program administrator or the implementing agency must assume responsibility for quarterly reporting using the ITT. No changes to indicators, baselines or targets may be made in the ITT until the changes have been approved in the M&E Plan.

5.4 Data Quality and Data Quality Review

M&E data is an important source of information on progress towards the achievement of threshold program results and supports decision making by program managers. Ensuring that the underlying data are of good quality is essential to maintain a high level of confidence in the decisions that are made using the data.

Data Quality Reviews (DQR) are a mechanism by which to review and analyze the utility, objectivity, and integrity of performance information. DQRs cover a) quality of data, b) data collection instruments, c) survey sampling methodology, d) data collection procedures, e) data



entry, storage and retrieval processes, f) data manipulation and analyses and g) data dissemination are reviewed and analyzed in order to determine the utility, objectivity, and integrity of performance information gathered.

The indicators included in the M&E Plan are analyzed according to the five data quality criteria included in 4.4.2 above – validity, reliability, timeliness, precision and integrity.

M&E indicators should meet the standards described in Section 4.1.6 and the data used to measure those indicators should meet the standards outlined above in 4.4.2.

5.4.1 Conducting a Data Quality Review

MCC requires that an independent entity conduct the DQR, such as a local or international specialized firm or research organization, or an individual consultant, depending on the size of the Program or Project in review.

The DQR should review data relative to the standards laid out in Section 4.4.2 of this policy. The M&E Plan will specify which data from the plan will be included in the review and when. Depending on the data, the review could take place ex-ante, simultaneously, or after the data has already been reported.

The frequency and timing of data quality reviews must be set forth in the M&E Plan; however MCC may request a DQR at any time. DQRs should be timed to occur before or early enough in the threshold program that meaningful remedial measures (if any) may be taken depending on the results of the review. If survey data quality has been reviewed by an independent evaluator to MCC's satisfaction, then an additional DQR is not required.

The methodology for the review should include a mix of document and record reviews, site visits, key informant interviews, and focus groups.

5.4.2 Documentation and Follow-up

The reviews will be thoroughly documented in a report that will describe any weaknesses found in the a) data collection instruments, b) data sampling and/or collection methods, c) handling and processing of data by responsible entities, or d) reporting procedures. The report should also make recommendations for remedying those weaknesses where possible. Where a remedy is not technically possible or cost-effective, the report should identify replacement indicators or data sources that would be more accurate and efficient.

The program administrator's comments on the data quality review, including which recommendations will be implemented, will be attached to the final data quality review report. All comments must be approved by MCC.

The program administrator is responsible for ensuring that MCC-approved recommendations of DQRs are followed through and implemented.

5.5 Evaluation

5.5.1 *Mid-Course Evaluations*

The term “Mid-Course Evaluations” includes a wide range of possible evaluations and assessments, including interim activity reviews, mid-term reviews, mid-term evaluations, ad hoc evaluations, special studies, qualitative studies, and process evaluations.¹⁷

Mid-Course Evaluations are not required for all threshold programs. MCC, however, may decide to conduct such evaluations as necessary. Mid-Course Evaluations can be used to improve the effectiveness and efficiency of implementation during the life of the threshold program.

Depending on the type of Mid-Course Evaluation, it may be performed by a third party procured by either MCC or the implementing agency or carried out directly by MCC or staff at the implementing agency.

5.5.2 *Self evaluation*

A minimum level of accountability is achieved through the final report that is submitted to MCC by the program administrator within six months of completion of a threshold program. The final report must address program results, sustainability of program accomplishments, and lessons learned. The program administrator may further require that threshold program implementers or an independent entity evaluate specific threshold activities or the threshold program, in its entirety. All final reports are publicly available and posted to the MCC website to ensure transparency and accountability.

5.5.3 *Independent evaluation*

MCC determines which threshold programs undergo an independent evaluation on a case-by-case basis to ensure that a cost effective approach is taken to learning both systemic and sector-based lessons which can inform future programs. In deciding which programs to evaluate independently, the following factors are weighed:

- the learning potential for systemic lessons related to program design and structure,
- the learning potential for activities in a specific sector, particularly those that are directly applicable for the government of the threshold program country or common to other MCC activities,
- the cost of the evaluation given the feasible methods and associated rigor, and
- the MCC investment in a program, and accountability to stakeholders.

¹⁷ Not all of these evaluations will appear in the M&E Plan because they do not directly relate to impacts or assessing progress toward results.



Final independent evaluations may be carried out either as Impact Evaluations or Performance Evaluations, depending on the methodology and rigor used to estimate the counterfactual. Wherever possible, the highest level of rigor is sought for evaluations of the threshold program as is disaggregation by sex, age and income which are described above in Section 4.6.3. Specific guidelines and standards for the preparation, review and dissemination of performance and impact evaluations will be issued by MCC.

Evaluation reports are subject to internal MCC review before considered final. However, given MCC's commitment to having independent assessments of program impact, its internal review is focused solely on ensuring factual accuracy, and technically valid methodology and evaluation conduct. MCC expects to make final evaluation reports available on MCC's public website no later than six months after receiving draft evaluation reports. No later than six months after receiving a draft evaluation report, MCC will deem the report final and make it available on MCC's public website. MCC may choose to subject an independent evaluation report to an external peer review. The review must be conducted by an independent, internationally respected institution, with terms of payment that protect the independence of the review.

All independent evaluation reports are publicly available and posted to the MCC website to ensure transparency and accountability.

6. M&E AND GENDER

Because gender inequality can be a constraint to economic growth and poverty reduction, and because gender issues can be a determining factor in the effectiveness of an intervention, relevant gender considerations should be incorporated into the M&E Plan and M&E activities. The M&E Plan must specify which indicators will be disaggregated by sex. Specifically, indicators that quantify Participants and Beneficiaries (e.g., number of farmers trained, number of farmers adopting new technology) should be sex-disaggregated to provide information about the number of men and women being served by an Activity. MCAs should report sex-disaggregated information to MCC every quarter when data are available. This reporting requirement follows the best practice agreed to by the Busan Partnership for Effective Development Cooperation, where participants agreed to "accelerate and deepen efforts to collect, disseminate, harmonize and make full use of data disaggregated by sex to inform policy decisions and guide investments."¹⁸

Although the M&E policy does not require that targets be established for the number of men and women served by an Activity, targets are often an important design and monitoring tool to link performance to poverty reduction. Particularly in the context of gender differences and inequalities, MCC often requires targets when pre-Compact gender analysis, ERR analysis, or program design work leads to the formulation of specific hypotheses on gender impacts or explicitly links performance to gender-specific outcomes, such as equitably distributed benefits. As with other M&E objectives, reasonable and cost-effective efforts should be made to incorporate these gender dimensions into the activity's evaluation.

¹⁸ Busan Partnership for Effective Development Cooperation, *Busan Outcome Document*, 1 December 2011, p. 5.



Analysis may also demonstrate potential adverse impacts on female beneficiaries which also should be addressed in the evaluation. When linked to program design, evaluations also should examine intra-household dynamics of male and female beneficiaries, the cost-effectiveness of delivering gender-differentiated interventions, and differential impacts on men and women, and how gender integration enhances income growth. M&E Plans will document how gender is being addressed in evaluations as relevant by country, and M&E staff will work with SGA staff to incorporate gender in evaluations and surveys as appropriate.

7. M&E AND TRANSPARENCY

MCC is committed to transparency and making information available to the public. MCAs are required to post their M&E Plan on their respective websites after they have been approved by MCC. In addition, MCC regularly publishes results information on its website and MCAs must do the same.

MCC is committed to publicly sharing evaluation plans, datasets whose gathering was supported by MCC, and analytical reports. The data sharing is meant to ensure potential replication of evaluations assessing the impact of MCC's Projects and to inform future data-gathering and research efforts. For more information see MCC's *Guidelines for Public Use Data* (forthcoming).

8. AMENDMENTS

This policy may be amended by MCC from time to time. Such amendments will apply to the MCA or threshold program with prior notice.

9. EFFECTIVE DATE

This policy will become effective on the day it is approved and supersedes all previous versions. All threshold programs signed before the effective date will not be subject to the M&E Plan and ITT requirements in this policy.

10. ANNEX: KEY DEFINITIONS

Accountable Entity – The entity designated by the government of the country receiving assistance from the Millennium Challenge Account to oversee and manage implementation of the Compact program on behalf of the government.

Activity – Actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilized to produce specific outputs. Typically, multiple Activities make up one Project and work together to meet the Project's Objective.

Actual – A data point that shows what has been completed, as opposed to a number that is a target or a prediction.



Attribution – The ability to show that a change in a particular outcome was caused by an intervention or set of interventions.

Baseline – The situation prior to a development intervention, against which progress can be assessed or comparisons made.

Beneficiary – An individual who experiences better standards of living as a result of the project, primarily through higher real incomes.

Change in Cost – refers to: (i) any increase in the costs estimated for a particular Project or Activity, as set forth in the current detailed financial plan for the Compact Program or (ii) any Reallocation.

Change in Scope – refers to any change to the scope or substance of a Compact Program, including, without limitation, the modification or elimination of any Project, Activity, or sub-Activity, or the creation of a new Project, Activity, or sub-activity, in each case under a Compact Program.

Compact – The agreement known as Millennium Challenge Compact, entered into between the United States of America, acting through the Millennium Challenge Corporation, and the government of the country receiving assistance from the Millennium Challenge Account pursuant to which MCC provides such assistance to the country.

Common Indicator – Indicators that MCC uses to aggregate results across countries within certain sectors and report internally and externally to key stakeholders.

Counterfactual – The scenario which hypothetically would have occurred for individuals or groups had there been no Program.

Cumulative – An indicator classification. These indicators report a running total, so that each reported actual includes the previously reported actual and adds any progress made since the last reporting period.

Economic Rate of Return – An analysis that measures the expected increases in real household incomes, value-added of individual firms, and financial/resource benefits to public entities and compares them to the economic costs borne by MCC and other actors (including partner governments, other donor agencies, local organizations, and individual participants). The economic rate of return is expressed in percentage terms, and represents the interest rate at which the discounted benefits equal the discounted costs.

Eligibility Indicators – Policy indicators developed by third-party institutions used in MCC's annual country selection process for threshold and compact programs.

Entry into Force – The point in time when a Compact comes into full legal force and effect and its term begins.

Evaluation – The systematic and objective assessment of the design, implementation, and results of an Activity, Project or Program.

Final Evaluation – Evaluation conducted at the end of the period of implementation of the intervention or at a date sufficiently after the intervention to be able to measure results.

Goal – The ultimate purpose of a development intervention. For Compacts, the goal is always poverty reduction through economic growth.



Goal Indicator – Indicators that measure the economic growth and poverty reduction changes that occur during or after implementation of the Program.

Impact – The expected result of a Compact on beneficiaries. The impact for MCC Compacts is poverty reduction through economic growth, measured in terms of increase in local incomes (often measured by household consumption and expenditures).

Impact Evaluation – is defined in Section 4.6.3.

Indicator – Quantitative or qualitative variable that provides a simple and reliable means to measure achievement of a development intervention.

Indicator Analysis – Additional information on the policies and actions that may have affected a country's standing on the eligibility indicators used in the annual MCC country selection process.

Indicator Inputs – An indicator classification. These indicators are the components of a composite indicator, such as a percentage or ratio. In most cases, they will be the numerator and denominator used to calculate the indicator.

Input – The financial, human, and material resources used for a development intervention.

Level – An indicator classification. These indicators track trends over time, and may fluctuate up and down between quarters.

Management Information System – A system designed to collect, process, store, and disseminate data to assist in the management of programs.

MCC Threshold Program – The MCC program authorized by Section 616 of the Millennium Challenge Act of 2003, as amended, pursuant to which MCC provides assistance to a qualifying country for the purpose of assisting such country to become eligible for a Compact.

Millennium Challenge Account – The account which receives funds appropriated by Congress to carry out the Millennium Challenge Act of 2003, as amended.

Mid-Course Evaluation – A study performed during the period of implementation of the intervention.

Modification (of a Compact) – Refers to any Change in Cost or any Change in Scope

Monitoring – A continuous function that uses the systematic collection of data on specified indicators to gauge progress toward final program objectives and achievement of intermediate results along the way.

Objective – The result that a Project intends to achieve.

Outcome – The likely or achieved intermediate effects of an intervention's outputs.

Outcome Indicator – Indicators that measure the intermediate effects of an Activity or set of Activities and are directly related to the Output Indicators.

Output – The direct result of a Project Activity. The goods or services produced by the implementation of an Activity.

Output Indicator – Indicators that directly measure Project Activities. They describe and quantify the goods and services produced directly by the implementation of an Activity.



Participant – An individual who takes part in an MCC-funded Project.

Performance Evaluation – is defined in Section 4.6.3.

Process Indicator – An indicator that measures progress toward the completion of a Project Activity, a step toward the achievement of Project Outputs and a way to ensure the work plan is proceeding on time.

Program – A group of Projects implemented together to achieve a goal.

Program Logic – An explanatory model that demonstrates how a Program’s Activities lead to the expected outcomes, objectives, and goal of a Compact, presented graphically.

Project – A group of Activities implemented together to achieve an objective.

Qualitative methods – Data collection methods such as focus groups, semi-structured interviews, and observation that are used as part of monitoring and evaluation to inform survey design, assist with interpreting survey results, or assess project progress.

Result – The output, outcome or impact of a development intervention.

Results Reporting Table – The table of indicators reported to MCC on a quarterly basis by each threshold program.

Target – The expected result for a particular indicator to be met by a certain point in time.

Threshold Program Agreement - The agreement signed by the threshold country and the United States that specifies the terms and conditions for the implementation of a threshold program. When USAID administers a threshold program, the agreement is typically called a Strategic Objective Grant Agreement, Strategic Objective Agreement or a Development Assistance Agreement and is often referred to as a “SOAG.”