



## Millennium Challenge Corporation (MCC) Threshold Program for Indonesia — Controlling Corruption and Improving Immunization —

July 2008

### PROJECT OBJECTIVE

The MCC Threshold Program, implemented by USAID Indonesia, is designed to assist Indonesia improve two key MCC policy indicators -- "Control of Corruption" and "Immunization" coverage -- with the goal of Indonesia's achieving MCC Compact eligibility.

### PROJECT COMPONENTS

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

### CONTACT INFORMATION

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### BACKGROUND

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

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

### TOTAL PROJECT SIZE

The MCC Threshold Program comprises a two-year, \$55 million grant focused on anti-corruption (\$35 million) and immunization (\$20 million) activities. The Program will be implemented from 2007 – 2009.

### PROJECT FOCUS

#### Reduce Public Corruption

##### Reform the Judiciary

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

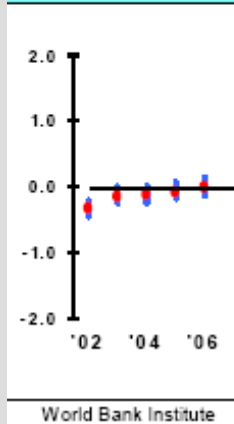
##### Improve the Capability of the Financial Transaction Reports and Analysis Center (PPATK)

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



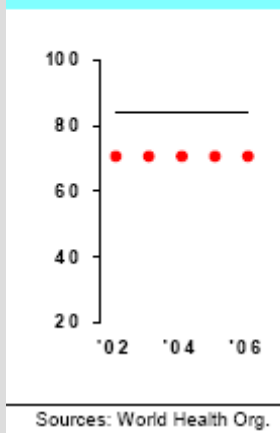
### MCC Indicator

**Control of Corruption**  
0.00 (50%)  
Median 0.00



This indicator measures country performance on a range of corruption metrics. The median is derived from a group of low-income countries.

Data 71 (26%)  
Median 84



This indicator measures the average of DTP3 and measles immunization rates. The median is derived from a group of low-income countries.

### Reduce Public Corruption (continued)

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

### Improve the Capability of the Corruption Eradication Commission (KPK)

- Provide equipment and training to improve the Corruption Eradication Commission's technical capabilities to investigate and prosecute corruption cases.
- Expand collection of data for Transparency International's Corruption Perception Index.

### Implement Electronic Government Procurement

- Establish five regional government electronic procurement centers.

### Increase Immunization Rates - Build Capacity and Public Awareness

- Provide technical and management training for health-care providers on epidemiology, surveillance, mid-level management, financial sustainability, integrated health planning, and budgeting.
- Improve monitoring to measure vaccination coverage, ensure the availability of quality vaccine supplies, and monitor program results.
- Improve and expand surveillance systems for other vaccine-preventable diseases.
- Support activities to engage and motivate community leaders, non-governmental organizations, and faith-based organizations to promote and advocate for strengthened routine immunization services.

### Highlights of Expected Results of the Indonesia Threshold Program:

#### Anti-Corruption

- Improve performance on key international corruption indices.
- Reduce money laundering through banks and non-bank channels.
- Increase prosecution of high-level government officials for corruption.
- Reduce undocumented extra payments, bribes or other favoritism connected with the awarding of public contracts.

#### Immunization

- To strengthen Indonesia's MCC "Immunization Coverage" indicator score to above 80.5% (the average of DPT3 and measles immunization rates for the most recent year available) by increasing routine immunization coverage rates among infants and children.