

7. Concluding Remarks

Decisions on the magnitude and duration of U.S. assistance to the transition region are made on the basis of several factors: (1) progress the country has made towards a sustainable transition to a market-based democracy; (2) strategic importance of the country to the United States; (3) importance of the recipient country to U.S. citizens; and (4) effectiveness of particular assistance activities.

This paper provides the basis to analyze the first factor. The second and third are not as readily quantifiable but are matters of judgment that are regularly considered, along with the first, in making country-level budget decisions. The fourth factor, based on both regular reporting against strategic objective targets and on occasional field-based evaluations, is used primarily to inform the allocation of country budget levels among strategic objectives but is also a basis for determining whether a country assistance program is having enough impact to warrant continuation.

An application of the *Monitoring Country Progress* data set for the purpose of facilitating USAID graduation decisions is done in a sequence of steps. First, progress in both economic and democratic reforms need to attain certain thresholds before graduation from USAID assistance can be considered. Second, trends in macroeconomic and social conditions need to be sufficiently favorable so that reform gains can be sustained. At the least, macroeconomic stability and broad-based economic growth need to be achieved and maintained, while key social conditions advance towards Western Europe standards.