

**Madagascar M&E Plan**

**Acknowledged and Approved by:**

**Millennium Challenge Corporation**

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

On April 18<sup>th</sup>, 2005, The United States of America, acting through the Millennium Challenge Corporation (MCC), and the Government of the Republic of Madagascar signed a Compact.<sup>1</sup> Annex III of the Compact described the outline and the development of the Monitoring and Evaluation (M&E) Plan for the MCA Program. The M&E Plan is comprised of the following sections described in detail below:

- Evaluation Component
- Monitoring Component
- Policy or Legal Reforms
- Assumptions and Risks
- Description of Beneficiaries
- Disaggregating Data by Gender, Income, and Age
- Data Quality Reviews
- Annual Performance Reviews
- Quarterly Reports
- Budget for Monitoring & Evaluation Activities
- Data Collection and Reporting Timeline
- Annex: Report Formats for Quarters 1-4

The purpose of the M&E Plan is to guide implementation of the Program and inform beneficiaries and participants about the progress toward achieving its objectives. Before beginning implementation of individual Projects or Project Activities, MCA-Madagascar will orient staff and Project implementers on how performance will be measured, and will provide any necessary training to comply with the M&E Plan. MCA-Madagascar will also review comments and suggestions from beneficiaries, including the Advisory Council<sup>2</sup>, and program managers. MCC and MCA-Madagascar may make adjustments to the M&E plan as needed, *provided*, any such modification or amendment of an M&E Plan has been approved by MCC and is otherwise consistent with the requirements of the Compact and any relevant Supplemental Agreement between the Parties.

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<sup>1</sup> Any capitalized term not defined herein shall have the meaning ascribed to such term in the Compact.

<sup>2</sup> Advisory Council review of M&E Plan should be completed before the end of Year 1.

## **Evaluation Component: Evaluation of Economic Growth and Poverty Reduction Impact**

### ***Final Impact Evaluation***

The Proposal identified low investment in rural areas as a major cause of low economic growth and poverty in Madagascar. The objective of the Program in Madagascar is to stimulate rural investment through the Land Tenure, Finance, and Agriculture Business Investment Projects. At the expiration of the Compact Term or shortly thereafter, an impact evaluation will be conducted to determine the extent to which income and productivity were raised by the Program. Specifically the impact on economic growth and poverty reduction will be measured through the following two goal-level indicators:

1. Household income in the Zones
2. Land productivity in the Zones

The evaluation should assess and quantify the causal relationship between the Projects and the goals of increased household income and increased land productivity, including the channels through which the Projects make an impact.

Baselines and Data Collection. In order to carry out this evaluation, the Program will support the collection of annual national Household Surveys in addition to annual Agricultural Productivity and Enterprise Surveys described below. National data collection for these surveys will allow for a better understanding of the impact of the Program because Program evaluators will be able to compare the households, farms, and enterprises in the Zones to households, farms, and enterprises in other regions with similar characteristics. In addition, national data sets will produce benefits outside of evaluating the Program. The availability of this data will allow the Government of Madagascar to better plan and carry out its economic development agenda more broadly

Targets. The economic analysis of the Program, performed prior to Compact signing, estimated that the Program would produce an increase in total investment of approximately 27 percent of average land values in each region. The analysis further estimated that each dollar of credit invested will, on average, raise crop-related income by approximately 18 cents per year. The overall target for household income is an increase of five percent (5%) of average land values in each Zone starting in Year 3 of the Program. Once baseline data on average land value is collected and each of the Zones is identified, targets for increased household income can be refined and recalculated. At that point, all targets will be revised.

The following describes data collection for these Compact Goal Indicators:

Compact Goals	Indicator	Source	Baseline (Quarter 2, Year 1)	Frequency of Data Collection	Target (End of Compact Term)
Increase household income in Zones	Household income in targeted Zones	Institute of National Statistics (INSTAT)	INSTAT will conduct a nationwide household survey that will allow for the comparison of the Zones to similar regions as part of the final impact evaluation.	Annually.	Estimated at 5% of average land value for each of the Zones.
Increase land productivity in Zones	Agricultural output per hectare	INSTAT and the Ministry of Agriculture, Bureau of Statistics	The Ministry of Agriculture, with oversight from INSTAT, will conduct a baseline survey of productivity for 6 agricultural products.	Annually.	Not yet established because of lack of availability of productivity data. Set at the end of Year 1.

Note: Targets will be recalculated by the end of Year 1 once data on land value and agricultural activity in each of the Zones is available.

### ***Other Evaluations***

In addition to the impact evaluation to be completed shortly after the completion of the program, MCC and MCA-Madagascar will conduct interim evaluations and regular performance reviews of the Projects and Program as a whole.

#### Evaluation of the Agricultural Business Centers

The evaluation plan of Agricultural Business Centers is still under development. In order to measure the results of Agricultural Business Investment Project (described below), MCC, with the participation of MCA-Madagascar, will undertake a separate impact evaluation to be performed by an outside independent research group.

The purpose of this evaluation is two fold: 1) To assess whether the Agricultural Business Centers (ABCs) are effective in helping farmers and entrepreneurs adopt new production technologies or higher value production, and 2) To assess the spillover effects from the clients to other producers around them. As part of this evaluation if feasible, the Project will seek to include randomization in the method of selecting beneficiaries in order to provide an estimate of the benefit of the Centers to entrepreneurial rural producers for which an appropriate control is difficult to identify. The design should control for selection bias issues and identify the characteristics and the circumstances under which producers adopt new technologies and management practices. The plan for the operations and work of the centers is based on anecdotal evidence that rural producers in close proximity or who produce common goods in Madagascar are likely to influence each other. However an estimate of the magnitude of this effect is difficult to determine.

In addition, an evaluation of this type will be important for future MCA Programs because business centers similar to the ones that will be funded through the Program are an approach to improving production and management skills of small-scale producers that has not been subject to a similar methodology. Estimating the spillover effect of the knowledge transfers would provide information for the development and operations of the ABC activities in the Agricultural Business Investment Project as well as for similar centers in other countries.

## Monitoring Component: Indicators for Measuring Program Performance

Program and Project performance will be monitored through the regular tracking of indicators and organized reviews related to the Objectives of the Compact. This analysis allows managers at MCA-Madagascar and at MCC to make adjustments as necessary with a view towards improving the overall impact of the Program. Annex III of the Compact describes the Program Objective, Project Objectives, and summarizes many of the Project Activity level indicators, including the timeline for measurement of the Objectives, plans for the establishment of baselines, determination of targets, and frequency of measurement during the Compact Term. Below are the indicators that MCA-Madagascar and the MCC will use to monitor program performance and a description of how data will be collected.

### *Program Objective*

Program Objective	Indicator	Source	Baseline	Frequency of Data Collection	Target
Increase investment in the targeted investment zones	Total new investment made by farms or enterprises in the Zones	Investment data will come from three sources: 1) Enterprise survey measures investment by formal enterprises; 2) Household survey measures investment by small informal businesses, and 3) Agricultural Productivity Survey measures investment by farms.	INSTAT is responsible for managing the collection of baseline data related to investment.	Annually.	Estimated at 27% of the average land value for each of the Zones.

### Timeline for Measurement of the Program Objective

- Baseline data collection complete: December 2005.

To facilitate the implementation of the Compact, baseline surveys were funded pursuant to MCC's 609(g) authority under the Act. INSTAT is managing data collection of a Household Survey, Enterprise Survey and Agricultural Productivity Survey. This baseline data will be provided to MCC and USAID (the agency through which MCC funds are being administered for this assistance) in addition to being publicly available. USAID manages the baseline data collection, while U.S. Census Bureau worked directly with INSTAT and Ministry of Agriculture to ensure that data collection plans are consistent with standard statistical procedures.

- Target: Established by end of Year 1

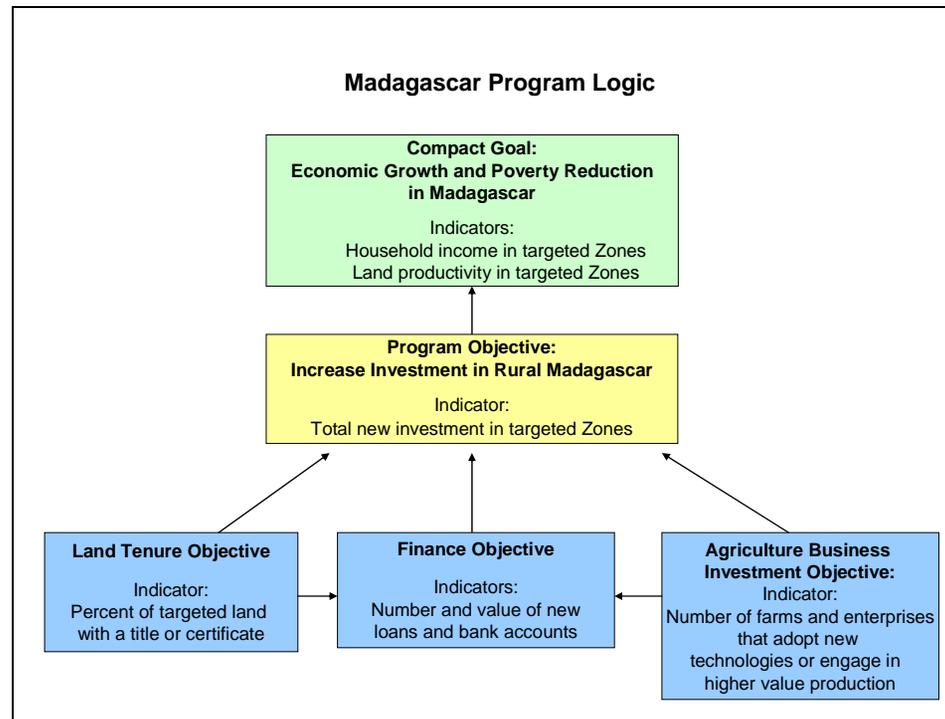
As noted above, the economic growth analysis for the Program anticipates that Land Tenure Project will increase investment in the Zones by 27% of the total current land value. This assumes that with the help of the Finance Project, sufficient credit will be available in the Zones to achieve the target. In order to recalculate the target, the Zones must be identified and baseline data collection will provide information on land value by the end of the third quarter of Year 1.

- Annual follow-up surveys. MCA-Madagascar will obtain and report to MCC annual follow-up surveys.
- Initial results expected: End of Year 3.

## ***Project Objectives***

The Land Tenure, Finance, and Agricultural Business Investment Projects are designed to help rural producers and the domestic private sector increase investment in rural areas. To assess progress towards meeting the Program Objective, MCA-Madagascar will measure the results of the three Projects as described below:

- Increased land titling and land security as measured by the percentage of targeted land with a title or certificate.
- Increased competition in the financial sector as measured by the number and value of new loans and bank accounts.
- Improved production technologies and market capacity in rural areas as measured by the number of farmers or enterprises that adopt new technologies or engage in higher value production.



### *Land Tenure Objective*

<b>Objective</b>	<b>Indicator</b>	<b>Source</b>	<b>Baseline</b>	<b>Frequency of Data Collection</b>	<b>Target<sup>3</sup></b>
<i>Land Tenure:</i> Increase land titling and land security	Percentage of targeted hectares in the Zones with a title or land certificate	The Ministry of Agriculture, National Land Service Administration	N/A	Every 6 months starting in End of Quarter 2, Year 2.	100% of the land that is identified for titling or land certificates. Estimated number of hectares to be titled is 250,000.

#### Timeline for Measurement of the Land Tenure Objective

- Baseline: No additional data collection needed. Baseline for the Land Tenure Project is zero percent of land that is identified for titling or land certificates under the Program.
- Target: 100%

Background documents on the proposal estimated that the Land Tenure Project will title approximately 50,000 hectares in each of the Zones for a total of 250,000 hectares. The actual total will be revised by end of Year 1 for the first two Zones and by the end of Year 2 for the other three Zones. In order to refine this figure, the Agricultural Business Investment Project will identify the remaining three Zones and the Land Tenure Project will identify the areas for titling or land certificates.

- Initial results expected: Quarter 2 of Year 2 for the first two Zones, Quarter 1 of Year 3 for the remaining three Zones.
- Follow-up every 6 months.

MCA-Madagascar will obtain data and report to MCC on the Land Tenure Objective Indicator every six months starting at the end of Quarter 2 of Year 2 for the first two Zones and at the end of Quarter 1 of Year 3 for the remaining three Zones.

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<sup>3</sup> See Disbursement Agreement for interim targets.

## Project Activity Performance Indicators for the Land Tenure Project

The M&E Plan for the Land Tenure Project also includes activity level measures representing interim measures of the progress towards the Land Tenure Objective. The targets listed below are estimates until all existing land documents are inventoried and baseline data for the average time and cost of property transactions is established. The below summarizes the anticipated interim measurements.

Objective	Indicator	Source	Baseline	Frequency of Data Collection	Target
Adoption of a new land law consolidating the legal bases for proposed land tenure reform procedures	Legislative proposal (“loi de cadrage”) reflecting the PNF submitted to Parliament and passed.	Official Records	N/A	Twice for submission and passage. Follow up on implementation.	Submission to Parliament by October 2005. Passage by end of December 2005.
Promote knowledge and awareness of land tenure reforms among inhabitants in the Zones	Short surveys after information campaigns.	MCA-Madagascar will bid out survey work.	N/A	At the end of Quarter 2, Year 2 (for Zones 1 and 2) and at the end of Quarter 3, Year 3 (for Zones 3, 4, and 5)	Target for the positive response rate required to proceed with program identified by Quarter 3 of Year 1.
Protect existing property rights records; improve ability to identify competing property claims and prioritization of property rights	Percentage of land documents inventoried, restored, and/or digitized.	Ministry of Agriculture, Coordination Unit for National Land Program	N/A	Quarterly beginning at the end of Quarter 2, Year 1 for inventory; end of Quarter 4, Year 1 for restoration; end of Quarter 4, Year 1 for digitization	100% of existing land documents should be inventoried, restored, and/or digitized. The number of documents to be inventoried is approximately 800,000. 400,000 of 800,000 will be digitized through MCC funding and 300,000 of 800,000 will be restored before digitization through MCC funding. Completion of the inventory of land documents will refine these estimates.

<b>Objective</b>	<b>Indicator</b>	<b>Source</b>	<b>Baseline</b>	<b>Frequency of Data Collection</b>	<b>Target</b>
Elimination of bottlenecks and delays in the present land registration system	Average time and cost required to carry out property-related transactions at the local and/or national land services offices. Time/cost to respond to information request, issue titles and to modify titles after the first land right.	Ministry of Agriculture, Coordination Unit for National Land Program	The World Bank's Doing Business 2005 survey estimates that the time to process a new land title is 202 days and the cost is 17% of property value for the capital city. MCA-Madagascar will recalculate the baseline for Tano and for the first two Zones and for other property-related transactions by end of Quarter 3, Year 1.	Quarterly starting in Month 21.	50% reduction in the time and cost to issue titles and split land. Quarterly targets set in the Disbursement Agreement.
Improve tenure security in rural communities	Number of land disputes reported and resolved in the target zones and sites of implementation.	Ministry of Agriculture, Coordination Unit for National Land Program	Number of parcels will be reported as being subject of dispute during the community map production. Baseline recorded Month 13 for Zones 1 and 2. Month 19 for Zones 3-5.	Semi-annually starting at the end of Quarter 1, Year 2.	All conflicts reported in Month 13 for Zones 1 and 2, and in Month 19 for Zones 3-5 are resolved except for those in the court system.
Formalization of traditional land use and tenure practices and standardization of local land tenure documents and processes	Percentage of land in the Zones that is demarcated and ready for titling	Ministry of Agriculture, Coordination Unit for National Land Program	N/A	Quarterly starting Quarter 2, Year 2.	100% of identified hectares. Once Zones are surveyed, the number of hectares to be demarcated will be refined. Quarter 1 for Zones 1 – 2, and Quarter 4 for Zones 3 – 5.

## *Finance Objective*

Objective	Indicator	Source	Baseline	Frequency of Data Collection	Target
<i>Credit Objective:</i> Increase competition in the financial sector	The number and value of new loans and bank accounts. Data should be disaggregated as follows: inside Zone, outside Zone, and with land as collateral. In addition, disaggregated by type of credit.	1) National Savings Bank (CEM) and Central Bank via reporting from the MFIs and 2) commercial banks (via the following associations CSBF, APIMF, and CNMF.)	The Central Bank should report the baseline by end of Quarter 3, Year 1 for the first two Zones and by end of Quarter 4, Year 1 for the remaining three.	Semi-annually starting at the end of Year 1 for bank accounts and end of Year 2 for loans.	\$31 million in additional lending, 184,000 savings accounts with a total savings of \$1.8 million per year starting in Year 3.

### Timeline for Measurement of the Finance Objective

- Baseline: Established by end of Quarter 2, Year 1.
- Target: Established by End of Year 1.

Estimates of the economic growth and poverty reduction impacts of the Program anticipate that Finance Project will increase the client base of the National Savings Bank by 25%, and would increase lending in the Zones by \$31 million. In order to recalculate the target for loans, the each Zone must be identified and data collected on average land value for each Zone.

- Initial results expected: Month 24
- Follow-up every 6 months.

MCA-Madagascar will obtain data and report to MCC on the Finance Objective Indicator every six months starting at Month 24 of the Program.

## Activity Performance Indicators for the Finance Project

The M&E Plan for the Finance Project also includes activity level measures, representing interim measures of the progress towards the Finance Objective. The below summarizes the anticipated interim measurements.

Objective	Indicator	Source	Baseline	Frequency of Data Collection	Target
Modernization of financial sector laws to permit a multi-tiered financial system	Submission to Parliament and passage of new laws recommended by outside experts and relevant commissions	Official records	N/A	At the end of each Parliamentary session	Banking legislation and Financial sector legislation submitted by November 2006.
Public awareness of new financial instruments in the Zones.	Short surveys within Zones and large towns.	MCA-Madagascar will procure services of a survey research firm.	N/A	After each of two campaigns. Starting in Quarter 2, Year 2.	Target to be expressed in terms of % of targeted population aware of new instruments to be set during planning for the information campaign. Target set after Zones identified.
Mobilize savings through creation of new treasury bills	Number of holders of new denomination t-bills, volume of t-bill holdings, and t-bills issuance outside Antananarivo as measured by Central Bank report of redemption date	Central Bank	N/A	Quarterly starting at end of Quarter 4, Year 1	10% increase in number of new denomination t-bill issued each quarter for the first two years, starting at the end of Year 1.
New instruments for credit available	Volume of production covered by warehouse receipts in Zones	Warehouse report	Baseline reported end of Quarter 2 for Zones 1 and 2, and end of Quarter 4 for Zones 3-5.	Semi-annually starting in Quarter 2 of Year 2 for the first two Zones and Quarter 2, Year 2 for the remaining three.	Target to be set after the end of the Agricultural Productivity Survey and before end of Year 1.

Objective	Indicator	Source	Baseline	Frequency of Data Collection	Target
Implementation of an efficient payment system.	Maximum check clearing delay	Central Bank	Baseline is 45 days. (Rural to urban areas)	Quarterly starting at the end of Year 2. End data collection once target is reached.	3 days
Increased confidence in payment system	Volume of funds in payment system and number of transactions	Central Bank	Baseline report submitted by Central Bank by end of Quarter 3, Year 1.	Quarterly starting at the end of Year 2	Growth rate should be above GDP growth. Target for number of transactions to be set after the payment system study is completed, end of Quarter 4, Year 1.
Increased lending by MFIs	Volume of MFI lending in the Zones	CSBF report	Baseline reported end of Quarter 2, Year 1 for Zones 1 and 2, and end of Quarter 3, Year 1 for Zones 3-5.	Semi-annually starting in End of Year 1	Will set individual targets at same time as baseline is identified, end of Year 1. [Economic analysis estimated an increase in the % of households served by MFIs from 4% to 7%. Disbursement Agreement targets an increase in 20% by Q1, Y3 and 40% by Q4, Y3.]
Improved stability of MFIs	MFI portfolio-at-risk delinquency rate	CSBF report	Baseline reported end of Quarter 2, Year 1 for Zones 1 and 2, and end of Quarter 4, Year 1 for Zones 3-5.	Quarterly starting in End of Year 1	Recommended range is 4 - 6%
Increase the number of CPAs operating in Madagascar	CPA Association (CSC) list of accountants registered	CSC report	70 CPAs	Annually starting in End of Year 1	At end of Year 3: 95 accountants. At end of Year 4: 120 accountants.
Increased reliability of financial information	Reporting of credit and payment information to a central database.	Central Bank report	N/A	Semi-annually starting in End of Year 1	All MFIs report credit information to central database.

### *Agricultural Business Investment Objective*

Objective	Indicator	Source	Baseline	Frequency of Data Collection	Target
<i>Zones Investment Strategy:</i> Improve production technologies and market capacity in the rural areas	Number of farmers and enterprises that adopt new technologies or engage in higher value production	Independent evaluation of targeted clients as compared to a control group. (See Evaluation Component above)	N/A.	Mid-term and final evaluations.	Target to be set by end of Year 1, after completion of baseline data collection.

#### Timeline for Measurement of the Agriculture Business Investment Objective

- Baseline for the Agricultural Business Investment Project is not applicable.
- Targets: Established by end of Year 1.

The Agricultural Survey, Household Survey, and the Enterprise Survey will provide information on the farms and enterprises in the Zones. In order to establish the target for the number of farmers and enterprises, (i) the Zones must be identified and (ii) baseline data collection must be complete.

- Initial results expected: Month 24
- *Follow-up every 12 months.*

MCA-Madagascar will obtain data and report to MCC on the Agricultural Business Investment Objective Indicator at least every 12 months starting at Month 24 of the program.

#### Project Activity Performance Indicators for the Agriculture Business Investment Project

Below are the activity level measures, representing interim measures of progress towards the Agricultural Business Investment Objective.

Objective	Indicator	Source	Baseline	Frequency of Data Collection	Target
Identify Investment Zones	Zones identified and description of beneficiaries within each Zone submitted	National Agricultural Business Center	N/A	End of Quarter 1, Year 1 and End of Quarter 3, Year 1	Completed by end of Quarter 3, Year 1.
Identify agribusiness opportunities	Number of cost-effective investment strategies developed	MCA - Madagascar	N/A	End of Year 1 for the first two zones and End of Quarter 2, Year 2 for the remaining three.	Zones 1 & 2 completed by End of Year 1 and Zones 3-5 completed by End of Quarter 2, Year 2.
Identify agribusiness opportunities	Number of rural producers receiving or soliciting information from ABCs about the opportunities	Client Surveys to be conducted by the National Center	N/A	Semi-annually starting in End of Year 1 for the first two zones and End of Quarter 2, Year 2 for the remaining three.	At End of Year 1 and End of Quarter 2, Year 2 each ABC will set targets
Development of business plans	Number of plans prepared	Agricultural Business Centers (ABCs) reporting to the National Center	N/A	Semi-annually starting in End of Quarter 2, Year 2	At End of Year 1 and End of Quarter 2, Year 2 each ABC will set targets
Improved market and technology information. Increased entrepreneurship.	Number of farmers and business employing technical assistance received	Client Surveys to be conducted by the National Center	N/A	Semi-annually starting in End of Quarter 2, Year 2	At End of Year 1 and End of Quarter 2, Year 2 each ABC will set targets
Increased formalization of enterprises	Number of ABC clients that register as formal enterprises	Measured both by INSTAT and by Client Surveys conducted by the National Center.	N/A	Annually starting at the end of Year 2	At End of Year 1 and End of Quarter 2, Year 2 each ABC will set targets

## **Policy or Legal Reforms**

The Land Tenure Project and the Finance Project include indicators for assessing legal reforms that are necessary for the implementation of the Program. These indicators are:

- Submission to Parliament and passage of legislation that recognizes improvements to land tenure procedures.
- Submission to Parliament and passage of new banking and financial sector laws as recommended by outside experts and relevant commissions

## **Assumptions and Risks**

Below is a brief list of the main assumptions and risks underlying the achievement of the Program Objectives as outlined in this M&E Plan. The purpose of this section is to highlight external factors that could affect program results and serve as the basis for a discussion about how the Program would react to the following conditions. It is not meant to excuse performance of the Program. A discussion of the assumptions and risks will be part of an orientation session for MCA-Madagascar staff.

### Macroeconomic

- Exchange rate risk, in particular devaluation of the Ariary compared to strong currencies such as the US Dollar and Euro.
- Risk of erosion of the purchasing power of the population following rampant inflation:
  - stagnation or reduction in population's capacity to save
  - stagnation and/or reduction in the volume of mobilized saving
  - increase in cost of borrowing
- Risk of increased fuel prices eroding purchasing power and increasing transport costs in general.
- Effects of price changes in international markets affecting Madagascar's essential products (ex: Increase in the price of rice means increased import costs, reduction in the price of vanilla means a reduction in export prices.)
- Effects of increased competition in international markets specifically affecting certain Malagasy products (for example: textile products).

### Legislative

- Assumption of timely and positive parliament action on bills related to banking, financial, and land.

### Reactions of Key Actors

- Assumption that financial institutions increase the volume of credit allowing for increased investment in rural areas.
- Assumption that local actors take ownership of the programs to be implemented

### Climate

- Risk of natural disasters, cyclones in particular, in the Zones which would destroy harvests, infrastructures and equipment

## **Description of the Intended Beneficiaries of the Program**

The intended beneficiaries of the Program are the households of the Zones. As these Zones are identified, the Government of Madagascar will provide information on the population distribution of the Zones. In addition MCA-Madagascar will describe its process for targeting potential beneficiaries before beginning implementation of the Projects, taking into consideration how the nature, scope, and intensity of the specific land tenure, credit, and business investment activities are designed to reach members of the Zonal populations.

### ZONE 1: VAKINANKARATRA/AMORON' IMANIA

Zone 1 consists of 8 districts of the areas Vakinankaratra and Amoron' I Mania. It covers approximately 34,000 square kilometers, and is located in the highlands in the central part of the island. It has an estimated population of 2,800,000 inhabitants.

Forty-seven percent of the population is under 15 years of age, 48 percent is between 15 and 60 years, and 5 percent of the population is over 60. The group under 15 years has fewer girls than boys with a sex ratio of 0.98. In the group of 15 to 59 years, there are more women than men; the sex ratio is 1.02. The dependency ratio is fairly elevated in this Zone. The inactive population (0-14 years and 60 years and more) represent 108% of the active population (15-59 years). Income data disaggregated at the Zone level is currently unavailable, but is being collected as part of baseline data collection described above. Agriculture is the main source of employment, e.g., 86 percent of heads of households that are active in the labor force are farmers or working on farms.

### ZONE 2: MENABE

Zone 2 consists of 5 districts of the area of Menabe. It covers approximately 49,000 km<sup>2</sup>, and is located in the western part of the island. The Zone has an estimated population of 391,000 inhabitants.

Forty-four percent of the population is under the age of 15, 51 percent is between the ages of 15 to 60 years, and 6 percent of the population is over 60 years. The under-15 group has more girls than boys, with a sex ratio of 1.06. The ratio of the inactive population to the active population is 96 percent. As in Zone 1, Menabe's primary economic activity is agriculture, with 85 percent of heads of households that are active in the labor force employed on farms.

Zones 3-5 will be described when identified.

### **Disaggregating Data**

The following data related to the Project and Project Activity indicators can be disaggregated by gender, age, and/or income:

- Household income
- Number of new land titles and certificates (excluding income)
- Number of farmers and enterprises that adopt new technologies or engage in higher value production
- Volume of MFI lending in the Zones
- Number of CPAs operating in Madagascar
- Number of rural producers receiving or soliciting information from the ABCs about investment opportunities
- Number of business plans prepared
- Number of farmers and enterprises employing technical assistance received
- Number of ABC clients that register as formal enterprises

### **Data Quality Reviews**

Data quality assessments will verify reported performance data by analyzing the accuracy, reliability, timeliness, and objectivity of performance data. Project managers and implementers of Project Activities are responsible for reporting data to the M&E Manager on the indicators set out in this Plan. The purpose of this type of assessment is to verify the quality and the consistency of performance data across different implementation units and reporting institutions.

The data quality review will be part of periodic performance audits, which are planned to occur every six months during the first year and annually after that. Within MCA-Madagascar, the Manager of Monitoring & Evaluation will contract the data quality assessments through a competitive procurement with approval of the Steering Committee and by MCC. The entity responsible for data quality assessments should be hired and have added to this M&E plan a schedule for work by the end of Quarter 3 of Year 1.

Timeline:

- Q1 : Draft terms of reference for performance audits including data quality
- Q2 : Issue request for proposals, evaluate responses, and issue contract
- Q3: Data quality assessor/performance auditor engaged

The assessment will mainly cover data reported from implementation units (including DDSF, BCM, CEM, CSC, CSBF, ABC, MAEP) and may cover data reported from INSTAT as necessary.

### **Annual Performance Reviews**

MCA-Madagascar will conduct annual performance reviews of progress towards accomplishing the goals and objectives described in this M&E Plan. The reviews will summarize and analyze performance at all levels: activity indicators, project objective indicators, program objective indicators and compact goal indicators. They will also determine whether any of the risks did occur or key assumptions were not met, identify any unexpected results that were observed over the year (both positive and negative), present specific disaggregated information on beneficiaries, and raise any issues regarding data quality and Program sustainability. The results of this review and any recommended changes to Projects or Activities will be presented to MCC in the form of an M&E annual report.

### **Quarterly Reports**

The Manager for Monitoring & Evaluation at MCA-Madagascar will be responsible for coordinating and submitting quarterly reports to MCC. Attached in an Annex are the formats for the first four Quarterly Reports. All reports will be due within one month of the end of the quarter and posted within two weeks of acceptance by MCC on the MCA-Madagascar Website.

## Data Collection and Reporting Timeline

The following tables provide a general timeline of information to be collected, analyzed, and reported by MCA-Madagascar.

*Notes:*

- All baseline data collection (B) will be completed by the 4<sup>th</sup> quarter of the first year following entry into force of the Compact.
- Where targets still need to be identified or finalized, they are noted as “T”.
- Some data will be collected and reported on quarterly, some bi-annually and some annually. Where data on an indicator is expected to be reported, this is noted as “R”.
- The asterix (\*) indicates when initial results are expected for the Goal and Objective-level indicators.

Quarter	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
<b>Compact Goals</b>																
I. Household income in Zones				B,				R				R				R*
II. Agricultural output per hectare in Zones				T												
<b>Program Objective</b>																
New investment in Zones: -enterprises -informal businesses -farms				B, T				R				R*				R

<b>Quarter</b>	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
<b>Project Objectives</b>																
<b>Land Tenure:</b> Percentage of targeted hectares in the Zones with a title or certificate				T <sup>1</sup>		R <sup>1*</sup>		T <sup>2</sup> R		R		R		R		R
<b>Finance:</b> Number and value of new loans disaggregated as follows: -number and value inside Zone -number and value outside Zone -number and value using land as collateral Number and value of new bank accounts disaggregated as follows: -number and value inside Zone -number and value outside Zone			B <sup>1</sup>	B <sup>2</sup>	T			R*		R		R		R		R
<b>Agricultural Business Investment:</b> Number of farmers and firms adopting new technology or engaging in higher-value production				T				R*				R				R

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<sup>1</sup> For the first 2 Zones

<sup>2</sup> For the second 3 Zones

## Land Tenure Project Activity Indicators

Quarter	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
New land legislation			R <sup>1</sup>					R <sup>2</sup>								
Knowledge of land tenure in Zones						R <sup>3</sup>						R <sup>4</sup>				
-% of land documents inventoried		R <sup>5</sup>	R	R <sup>6</sup>	R	R	R	R	R	R	R	R	R	R	R	R
-% of land documents restored																
-% of land documents restored and digitized																
Time required for:			B					R	R	R	R	R	R	R	R	R
- Information requests																
- New titles																
- Changes to titles																
Cost required for:																
- Information requests																
- New titles																
- Changes to titles																
Number of land disputes reported					B T			R		R		R		R		R
% of demarcated land in the zones ready for titling						R		R		R		R		R		R

## Finance Objective Project Activity Indicators

<sup>1</sup> Submission

<sup>2</sup> Passage

<sup>3</sup> For the first 2 Zones

<sup>4</sup> For the 3 remaining Zones

<sup>5</sup> For inventory

<sup>6</sup> For restoration and digitization

<b>Quarter</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>
New banking and financial sector laws		R <sup>1</sup>			R <sup>2</sup>											
Knowledge of new financial instruments						R										
-Number of holders of new denomination T-bills -Volume of T-bill holdings -Number of T-bills issued outside Antananarivo						R	R	R	R	R	R	R	R	R	R	R
Volume of production covered by warehouse receipts		B <sup>3</sup>	B <sup>4</sup>	T		R		R		R		R		R		R
Check clearing delay (days)								R	R	R	R	R	R	R	R	R
-Volume of funds in payment system -Number of transactions			B	T				R	R	R	R	R	R	R	R	R
Volume of MFI lending in Zones		B <sup>3</sup>	B <sup>4</sup>	R		R		R		R		R		R		R
MFI portfolio at-risk delinquency rate		B <sup>3</sup>	B <sup>4</sup>	R	R	R	R	R	R	R	R	R	R	R	R	R
Number of registered accountants				R				R				R				R
Reporting of credit and payment information on central database				R		R		R		R		R		R		R

### **Agricultural Business Investment Project Activity Indicators**

<b>Quarter</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>
Zones and beneficiaries identified		R <sup>2</sup>														

<sup>1</sup> Banking legislation

<sup>2</sup> Financial sector legislation

<sup>3</sup> For the first 2 Zones

<sup>4</sup> For the second 3 Zones

Number of cost-effective zonal investment strategies				R <sup>1</sup>		R <sup>2</sup>										
Number of rural producers receiving or soliciting information from ABCs about opportunities				R, T <sup>1</sup>		R, T <sup>2</sup>		R		R		R		R		R
Number of business plans developed				T <sup>1</sup>		R, T <sup>2</sup>		R		R		R		R		R
Number of farmers and enterprises employing TA received				T <sup>1</sup>		R, T <sup>2</sup>		R		R		R		R		R
Number of ABC clients registering as formal enterprises				T <sup>1</sup>		T <sup>2</sup>		R				R				R

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<sup>1</sup> For the first 2 Zones

<sup>2</sup> For the second 3 Zones

