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**MADAGASCAR**



# COUNTRY DEVELOPMENT COOPERATION STRATEGY (CDCS)

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## ACRONYMS

AfDB	African Development Bank
BHA	Bureau for Humanitarian Assistance
BIANCO	Independent Anti-Corruption Bureau
BNGRC	Central Disaster Management Office
CCHP	Community Capacity for Health Project
CCP	Conservation and Communities Project
CDC	Center for Disease Control
CDCS	Country Development Cooperation Strategy
CLA	Collaboration, Learning, and Adaptation
CHV	Community Health Volunteers
COA	Court of Accounts (Supreme Audit Institution)
CSO	Civil Society Organization
DA	Development Assistance
DFSA	Department of Family Health
DO	Development Objective
DOAG	Development Objective Grant Agreement
DRG	Democracy, Human Rights, and Governance
DRM	Domestic Resource Mobilization
EGR	Early Grade Reading
ENAM	National School of Administration of Madagascar
END	Eliminate, Neutralize, and Disrupt Wildlife Trafficking Act
ESP	Education Sector Plan
EU	European Union
FO	Front Office
FP	Family Planning
GBV	Gender-Based Violence
GHP	Global Health Program
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i>
GOM	Government of Madagascar
GPC	Global Power Competition
GPE	Global Partnership for Education
IEM	Initiative Emergence Madagascar
IFAD	International Fund for Agricultural Development
IPV	Intimate Partner Violence
IR	Intermediate Result
IRS	Indoor Residual Spraying
J2SR	Journey to Self-Reliance
JICA	Japan International Cooperation Agency
MAEP	Ministry of Agriculture, Livestock, and Fisheries
MEL	Monitoring, Evaluation, and Learning

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MEN	Ministry of National Education
MFI	Microfinance Institutions
MICA	Ministry of Industry and Commerce
NGO	Non-Governmental Organization
NPI	New Partnership Initiative
NUP	New and Underutilized Partners
OPIC	Overseas Private Investment Corporation
PASEC	CONFENMEN Program for the Analysis of Educational Systems
PCV	Peace Corps Volunteer
PEM	Plan Emergence Madagascar
PFM	Public Financial Management
PIMS	Performance Indicator Management System
PMP	Performance Management Plan
PSE	Private Sector Engagement
PTF	Technical and Financial Partner
SILC	Savings and Internal Lending Communities
SLC	<i>Structures Locales de Consultation</i> (Commune Consultative Platforms)
SOAG	Strategic Objective Agreement
UNDP	United Nations Development Program
VSLA	Village Savings and Loans Association
WASH	Water, Sanitation, and Hygiene

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## I. EXECUTIVE SUMMARY

### CDCS GOAL

**M**adagascar faces formidable political, social, economic, and environmental challenges that slow or block progress towards sustainable development and impede its Journey to Self-Reliance (J2SR). At the same time, the country's considerable natural resources, unique biodiversity, and human capital resources from a predominantly young population offer numerous opportunities for potential economic growth and social progress. Capitalizing on these inherent strengths, Madagascar's Country Development Cooperation Strategy (CDCS) will implement an integrated approach designed to build a strong foundation through the following Development Objectives (DOs): DO 1) improved human capacity; DO 2) improved government accountability and effectiveness; and DO 3) greater availability of sustainable economic opportunities.

With low scores on many subdimensions of the FY2020 Country Roadmap<sup>1</sup>, strategic and complementary support across human capacity, governance, and economic development is critical for Madagascar. Targeted support in these areas will have long-lasting and far-reaching effects. The combination of a better educated and healthier population, a more accountable government, and communities possessing skills and options that make them more resilient to frequent shocks will enable Madagascar to make significant strides on the J2SR. Therefore, the goal for the 2020-2025 CDCS is: "Improved well-being and resilience of the Malagasy people to drive Madagascar's Journey to Self-Reliance."



Given that Madagascar scores well below other low and middle-income countries in sub dimensions related to Citizen Capacity, Government Capacity, and Capacity of the Economy, it will not achieve self-reliance over the life of this CDCS. However, the right set of interventions will lay a strong foundation on which the government can build a long-term commitment to and capacity for self-reliance.

The lack of a strong foundation in human capacity, governance, and economic development will pose significant obstacles to Madagascar's recovery from the impacts of COVID-19. While the pandemic's toll is far from clear, the Government of Madagascar (GOM) predicts economic growth of 1.4 percent in 2020 as compared to 5.3 percent prior to the outbreak. Beyond economic setbacks due primarily to unemployment and lost revenue from exports and tourism, adverse health impacts and strong indications of increased wildlife trafficking have occurred as people look for ways to make up for lost income. Moreover, COVID-19

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<sup>1</sup> USAID assesses a country's self-reliance through two lenses: commitment and capacity. Using 17 publicly available, third-party metrics, USAID's Country Roadmaps are the Agency's standardized analytical tool to objectively measure and visualize these two concepts.

has the potential to exacerbate pre-existing gender inequalities related to health, education, gender-based violence, child marriage, and resilience in Madagascar.

## COMMITMENT & CAPACITY

The Government of Madagascar's (GOM) *Plan Émergence Madagascar* (PEM) is the de facto national development plan for the period 2019-2023. The PEM identifies good governance as a linchpin, with four foundations encompassing human capital development, inclusive and sustainable economic growth, and sustainable natural resource management along with access to water and electricity as the keys to development. Though GOM statements indicate an intention to make advances in these areas, Madagascar's FY2020 Country Roadmap shows low Citizen Capacity, with rankings well below the median for low and medium-income countries for the poverty rate, child health, and education quality. One of the world's poorest countries, Malagasy people face many obstacles to accessing financial capital, and the country relies significantly on resources from bilateral donors and multilateral institutions to support basic social services like health and education.

While the country has made significant progress on reducing child deaths, maternal mortality has stagnated over the past 20 years, resulting in 10 women dying from birth-related causes each day. Nearly 1.8 million children under five (47 percent) suffer from chronic malnutrition and each day 100 children die from preventable causes, including malaria. USAID investments in family planning (FP), maternal, neonatal and child health (MCH), nutrition, malaria, and water, sanitation and hygiene (WASH) are designed to directly address these challenges.

Plagued with low completion rates, high levels of repetition, low levels of attainment in reading and math, and poor teacher quality, education in Madagascar is in a dire state. Other than a small but effective pilot activity in 2018, USAID has not worked in the education sector since 2009. The GOM and Ministry of National Education (MEN) are asking for USAID assistance for high-quality technical assistance for foundational skills development. This support is particularly important for the ability of women and youth to become self-reliant as a high level of education is the strongest indicator for Malagasy youth to transition into a stable job.<sup>2</sup> Based on the Country Roadmap low Education Quality indicator (0.18) and the great potential of targeted interventions in foundational skills, USAID will forge impactful partnerships with the GOM and other donors to improve education trajectories for Madagascar's most marginalized children in the early grades.

Even with improvements in health and education, Madagascar cannot finance its own self-reliance without significant improvements in governance and economic policy. The USAID Democracy, Human Rights and Governance (DRG) Assessment of Madagascar (2015)

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<sup>2</sup> UN Women. *The State of Women's Economic Empowerment in the Indian Ocean*, 2015, <https://interactive.unwomen.org/multimedia/infographic/economicempowermentindianocean/en/index.html>.

identified a systemic lack of political accountability as the core driver of chronic political and economic problems. Though central to the PEM, the governance deficit remains extensive as Madagascar ranks low in government and tax system effectiveness and is just below average in both subdimensions related to open and accountable governance. In alignment with both the PEM and the 2030 UN Sustainable Development Goals, the Mission will pursue a range of activities addressing governance, including government accountability, decentralization of government functions, and enhancing the business enabling environment.

## **STRATEGIC CHOICE**

Informed by over 30 years of experience in Madagascar and largely influenced by the country's needs, GOM priorities, and in coordination with international donors and key local stakeholders, the CDCS will provide a strong foundation for Madagascar to advance on its J2SR. As Madagascar's leading bilateral donor in health, USAID will continue its focus on the prevention and treatment of malaria; improving maternal, child, and infant health; prevention of sexually transmitted infections and diseases; and increasing the availability of FP and reproductive health services. The Mission will further redefine the relationship with the GOM, moving towards increased GOM responsibility for establishing stronger and more sustainable governance, management, and leadership of national systems for health and WASH. USAID will work closely with the GOM to increase its capacity to manage health programs, redefining the technical assistance relationship in favor of targeted Government-to-Government support to achieve health outcomes. In addition, the Mission will negotiate matching contributions from the GOM for key health commodities.

The Mission will have a strategic and holistic focus on human capacity. The bulk of past funding and services in this area were devoted to health, with some funds for crisis prevention. This CDCS will continue emphasizing health while growing the portfolio to improve basic outcomes in education and reduce the population's vulnerability to shocks.

In recent years, the Mission's work on governance was always a component of projects in other sectors, particularly health and environment. The only pure governance funding was for the 2018-2019 national elections. In this CDCS, the Mission is moving into the governance sector directly, working with new partners such as the Court of Accounts to address governance needs cross-sectorally. Further, governance work is an opportunity to redefine the relationship with the GOM to increase accountability, cultivate the commitment to enforcing rule of law, and improve the environment for doing business.

As a Tier 1 Eliminate, Neutralize, and Disrupt (END) Wildlife Trafficking Act country of concern, USAID has supported the protection of Madagascar's natural capital through improved conservation of the unique biodiversity, promotion of resilient livelihoods to provide alternatives to unsustainable natural resource management practices, and concrete actions to secure effective local management and ownership of natural resources. USAID will work with the GOM to build on existing achievements and increase our engagement

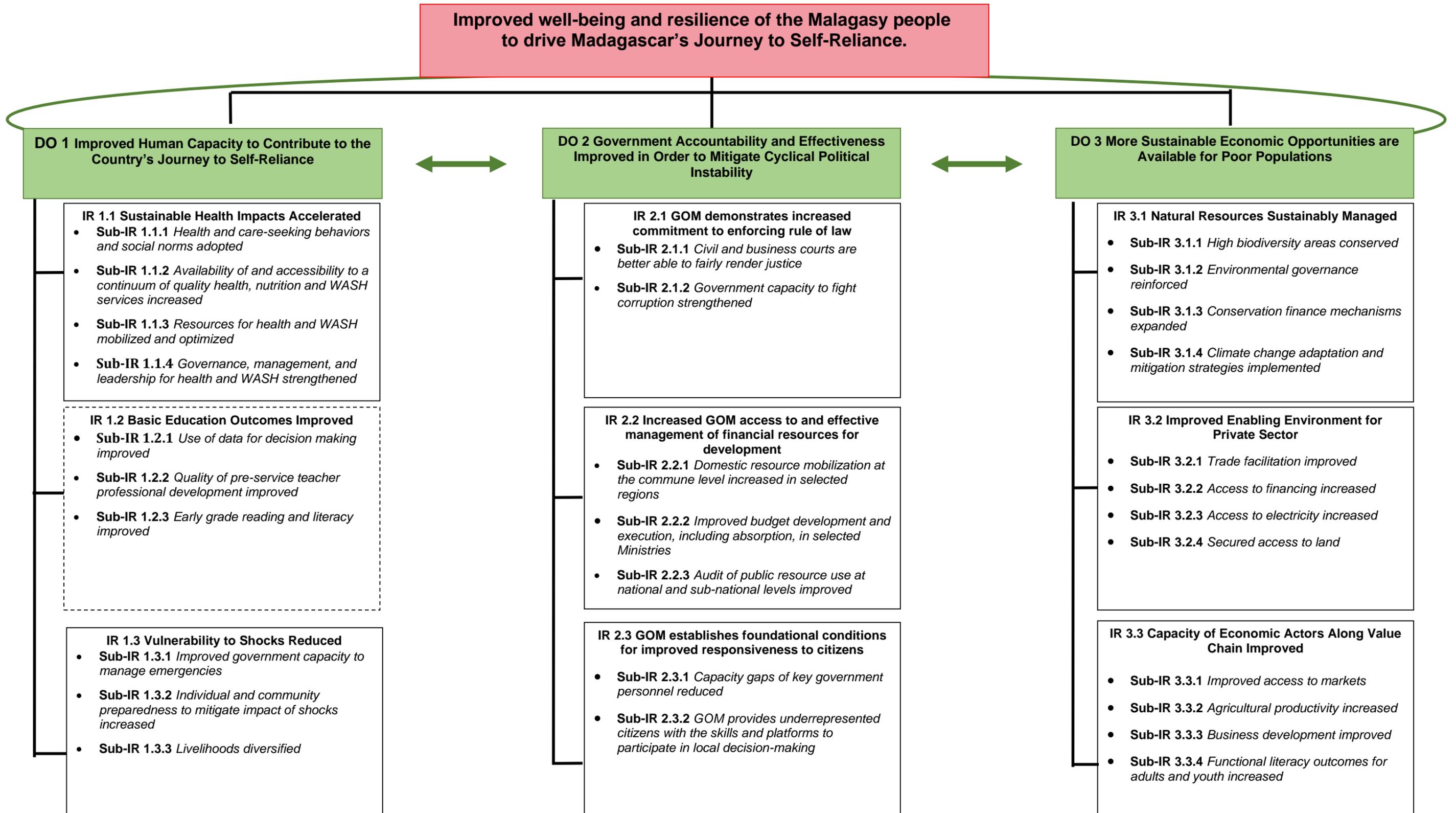
with the private sector to achieve greater sustainable development. The aim is to improve enterprise-driven development and implement market-based solutions to create jobs and increase wealth. This goal is especially important for Malagasy youth and women who are active entrepreneurs in Madagascar but require increased access to finance, credit, training, and coaching. Instituting reforms, redefining the relationship with the Ministry of Environment and the Ministry of Industry and Commerce, and building partnerships with the private sector are important efforts to support.

Across the DOs the Mission will work to address gender equality and gender issues that are critical to the country's J2SR. Within DO 1, the Mission will promote healthy and gender-equitable behaviors and social norms to reduce threats such as maternal, newborn, and child morbidity, child early forced marriage (CEFM), gender-based violence (GBV), time poverty, and limited decision making ability among women. Activities related to DO 2 will strengthen the GOM's ability to respond to the needs of citizens, including women, by addressing rule of law, particularly ensuring equal access to justice for women for issues such as land-tenure rights and labor laws. DO 3 will focus on creating economic opportunities for women within the agricultural and environmental sectors. The Mission will increase access to financing and better integrate women into the agricultural value chain. Collectively, these activities will improve the human and economic capacity of women, positively impacting the communities and nation as a whole.

Recently upgraded to Tier 2 in the U.S. Embassy Trafficking in Persons report, the GOM is making significant progress towards the elimination of trafficking by investigating and prosecuting more suspected traffickers and providing care, assistance, and repatriations to more victims. Also, it has operationalized a new anti-corruption court whose mandate includes human trafficking cases. Through this CDCS, the Mission will work to improve governance, with an emphasis on improving the GOM's commitment to rule of law and supporting the GOM in establishing foundational conditions for improved responsiveness to citizens. Strengthening these areas will further support the nation in combating human trafficking.

According to the U.S. Commission on International Religious Freedom, Madagascar does not qualify as a Tier 1 or Tier 2 country of concern. Madagascar's constitution provides for freedom of religious thought and expression and prohibits religious discrimination in the workplace. Other laws protect individual religious freedom against abuses by government or private actors. The US Embassy works with the Ministry of Interior and Decentralization to ensure that there is a high level of societal respect, as demonstrated by laws and practices, for religious freedom

**RESULTS FRAMEWORK DIAGRAM**



## I. COUNTRY CONTEXT

**M**adagascar is one of the most exceptional places on Earth; at least 80% of the plant and animal species found in Madagascar are unique to this vast island. Despite the potential for Madagascar's diverse ecosystem, unique wildlife, and extensive mineral resources to propel its development, it is the world's poorest non-conflict country. An estimated 75% of its people live on less than \$1.90 per day; 80% of the population earns its livelihood from subsistence agriculture; and it is the only country where GDP growth has declined since independence (1960) without the occurrence of a war. Madagascar's extreme poverty is reflected in a low rankings for Citizen Capacity and associated with a low ranking on Government Capacity in the Country Roadmap.

The number of people living in poverty in Madagascar is expected to increase dramatically as a result of COVID-19. The World Bank projects that the number of extreme poor in the poorest countries it serves will increase by 17 million, with a deeper and longer lasting impact for the poor as well. More than two-thirds of Madagascar's population is self-employed or informally employed and works in agriculture and service sectors. Strict confinement measures such as the reduction of public transportation, limited hours for stores and markets, and the imposition of curfews have resulted in limited opportunity for those working in the informal sector to make up lost income. Since poor families have inadequate safety nets such as limited savings and lack of access to insurance, many must sell productive assets or exploit natural resources as a coping strategy which leads to long-lasting negative effects. Furthermore, the GOM's ability to provide income support to families in need is limited.

Women in general, and poor women in particular, will be disproportionately impacted as women-owned firms (which primarily operate in informal or low-paying sectors) commonly lack basic protection against economic shocks. Also, women have less access to productive inputs, fewer liquid assets, and lower farm productivity resulting in weaker food security. In addition, school closings and health service interruptions may disproportionately affect adolescent girls' ability to complete their education and seek employment. These factors, paired with stay at home measures, have triggered increases in reported cases of GBV including sexual exploitation, CEFM, and intimate partner violence (IPV).

### ALIGNMENT WITH COUNTRY PRIORITIES

**I**n Madagascar's newly developed national plan, the PEM, the GOM places renewed emphasis on improved human capacity (including education, health, employment, infrastructure, and sports); good governance; inclusive and sustainable economic growth; and the potential to transform Madagascar into a "Green Island." With its focus on human capacity, good governance, and economic growth, particularly in the areas of agriculture and ecotourism, the CDCS largely overlaps with the GOM's strategic priorities.

Reforms in governance are a linchpin of the PEM. They target three core areas (security, anti-corruption, and decentralization) and address eight priorities. The Mission will support three of the eight priorities, including: the guarantee of equitable justice and rule of law (IR 2.1), improvements in responsible governance and public finance (IR 2.2), and strengthening citizen participation (IR 2.3). Collectively, these improvements will work to raise the GOM's effectiveness and efficiency resulting in renewed domestic and foreign trust in the government.

Recognizing women and youth as a critical component of the country's ability to meet development objectives, the PEM addresses the need for greater female empowerment and child protection. Specifically, the GOM seeks to facilitate gender equality and the empowerment of women and girls by eliminating GBV and other harmful practices. The Mission's work in health and family planning, education, disaster resistance, governance, and in economic development will assist the GOM in reaching this goal by raising awareness of the issues facing women; working to change policies and laws which negatively impact women; and arming women and men with the tools they need to become productive and active citizens.

## **CLEAR CHOICE**

**D**iplomatic relations between China and Madagascar date back to 1972 and have included cooperation in the fields of politics, economics, education, health, culture, and sports. The Chinese have built infrastructure projects in Madagascar including a primary national road, the Mahamasina National Palace of Culture and Sports, the Ivato International Conference Center, as well as a number of schools and hospitals. China recognizes itself as Madagascar's first trading partner, first supplier of imports, and fourth largest recipient of exports. In 2018, the volume of trade reached \$1.21 billion, an increase of more than 100 times since the establishment of diplomatic relations between the two countries.

While China has increased investments in Madagascar, their business practices and foreign assistance have lacked transparency and are often associated with the unsustainable use of Madagascar's natural resources. Chinese investments have involved or directly provoked environmentally destructive exploitation of marine resources and mineral wealth, child exploitation in mining for mica, and the illegal trafficking of hardwoods and animal products such as endangered tortoises. The economic gains these practices generate (mainly for the Chinese) are heavily outweighed by their deleterious effects on human capacity and natural resources, pushing Madagascar farther from self-reliance. USAID will make and catalyze transparent and inclusive investments in natural resource management, improved public accountability, and a more level playing field for investment and doing business. The aim is to redefine our relationship with the government in such a way that the GOM not only prefers, but eventually requires, partnerships that propel the country towards self-reliance. This effort will lead Madagascar away from models that promote dependency and fail to build the human capacity and systems needed to reduce reliance on foreign assistance.

## **COUNTRY ROADMAP**

**Citizen Capacity.** Economic growth and progress towards self-reliance is impossible without

improvements in health, basic education, sustainable use of natural resources, and political stability. A healthy and well-educated population will foster increased economic opportunities and productivity. Greater economic activity will generate more revenues for investments in the social sectors (and other sectors) that will further contribute to a healthier and better educated population. Based on the Citizen Capacity measures on the Country Roadmap, the CDCS will directly address serious deficits in health and education as well as the country's high vulnerability to recurrent shocks<sup>3</sup>, targeting the most marginalized, most vulnerable, and least resilient people (DO 1). USAID will support Madagascar's health system to sustain and advance previous gains in health outcomes, including decreases in under-five mortality and increased contraceptive prevalence rates.

Moreover, strategic analysis reveals that targeted programming in basic education is essential for addressing the country's citizen capacity deficits. Requested support for investments in basic education will be used to expand the use of proven early literacy instructional techniques by leveraging other donor dollars in the sector (i.e. World Bank, Global Partnership for Education). USAID will also promote government capacity to manage emergencies and the preparedness of individuals and communities to mitigate the impact of recurrent shocks (DO 1 and DO 2). Government emergency social safety nets can be an important mechanism for ensuring women and marginalized persons have greater resilience to natural disasters, climate change, and other shocks.

Although Madagascar's scores for social group equality and economic equality on the Country Roadmap are above the average for low and middle-income countries, significant challenges remain. The Organization for Economic Co-operation and Development (OECD) 2019 Social Institutions and Development Index (SIGI) ranks Madagascar as high for institutional gender-based discrimination. The index also highlights legal discrimination and traditional cultural practices that disadvantage women and girls. The Mission's work across DOs will support women's rights and equality in areas of human capacity, governance, and economic development.

Madagascar is already experiencing significant impacts from COVID-19 on health, education, natural resources, and the population's overall resilience. The United States provided \$2.5 million in new funding to help Madagascar fight COVID-19, and USAID redirected approximately \$4 million of MCH, FP, and Development Assistance (DA) Water funding to be used for COVID-19. Funds are strengthening government community surveillance systems, health communications, case management and laboratory services. Existing conservation activities have redirected resources to increased surveillance and



- Only 15% of households have electricity
- More than 58% of people lack access to safe drinking water
- Only 10% of the population uses basic sanitation facilities
- Only 1 out of every 3 children completes primary education



<sup>3</sup> In the context of Madagascar, the term "shocks" includes economic, social, environmental and health shocks.

patrolling as there has been a marked uptick of environmental crimes during the pandemic.

*Open and Accountable Governance and Government Capacity.* Responsive, accountable, and capable government institutions are crucial for sustaining improvements in the basic social and economic conditions Madagascar needs to move out of its cycle of poverty. Governance underpins the enabling environment for making progress in other areas of the strategy, for which effective public financial management and domestic resource mobilization are essential. The CDCS will address this primarily through DO 1 and DO 2, with an emphasis on enhancing government accountability institutions, effective systems of administration, rule of law, access to quality public services, and responsible management of financial resources.

*Economic Policy.* Escaping Madagascar's poverty trap requires simultaneously ensuring protection of the natural resource base, focusing on agricultural productivity as a primary driver of growth, and catalyzing the enabling conditions for private sector investment. After decades of political instability, the GOM now faces the challenge of implementing confidence-building reforms. Moreover, while the GOM has strongly emphasized its commitment to promoting private sector-led growth, rent-seeking behaviors are deeply ingrained in all major economic sectors. The Mission remains realistic but optimistic that focusing on economic policy while fostering an open and fair business climate and addressing the drivers of threats to biodiversity will lay a foundation for sustainable economic development. In particular, the strategy will target high growth sectors (agriculture and ecotourism) (DO 3), as well as anti-corruption measures (DO 2).

## **TRANSITION PLANNING**

**W**ith a GDP per capita of \$1,678 and many development challenges, Madagascar will not become self-reliant within the timeframe of this CDCS. However, the CDCS will work to set a foundation which includes improved human capacity, good governance, and increased economic opportunity within the most promising growth sectors. Improvements in these areas will contribute to a healthier and better educated population, a more accountable government, and more resilient communities. These will in turn catalyze greater and more inclusive economic activity that Madagascar requires to finance further investments to address its development challenges and lessen its heavy reliance on donor funding.

## **III. STRATEGIC APPROACH**

### **THE U.S. RELATIONSHIP WITH THE GOVERNMENT OF MADAGASCAR**

**S**ince the United States and Madagascar established diplomatic relations in 1960, intermittent periods of political unrest have led to tensions in the partnership. A political coup in 1975 strained relations between the two countries as the new president expelled the U.S. Ambassador. In the early 1980s the United States re-established a positive relationship with Madagascar, and by 1990, the country was designated a priority aid recipient. Since 1983, USAID has provided more than \$1.5 billion in development support. While initial assistance

prioritized investment in the rice sector to increase agricultural production and emergency food aid, in the 1990's USAID shifted focus to include biodiversity and environmental conservation.

In 2009, a military coup led the United States and other international donors to suspend direct assistance to or through Madagascar's government. The U.S. Government (USG) also reduced the USAID Madagascar Mission to a Country Office. However, USAID continued to provide life-saving humanitarian assistance in the health and food security sectors at the community level.

In 2013 the United States supported international efforts to ensure a free and fair electoral process. The inauguration of the new president in 2014 resulted in the lifting of sanctions, restoring the United States as one of Madagascar's largest bi-lateral donors. In December 2016, Madagascar returned to full USAID Mission status. In 2018, USAID awarded a \$1.2 million grant to support free, fair, transparent, and inclusive presidential elections. Andry Rajoelina was elected President in January 2019 and has promoted an aggressive national plan and worked collaboratively with international partners to address the country's most pressing needs. USAID continues to partner with the GOM to protect Madagascar's unique biodiversity, support better governance, increase access to basic education, improve women and children's health and education, women's economic empowerment, improve access to basic health care and FP services, reduce food insecurity, address GBV, and strengthen resilience to disasters and major shocks.

## **USE OF HOST COUNTRY RESOURCES**

Each of the Mission's strategic objective agreements (SOAGs) with the GOM includes Host Country Contribution provisions, requiring the GOM to provide financial or in-kind resources for program implementation. The Mission waived this requirement beginning in 2009 but will reconsider how the GOM can resume Host Country Contributions as part of a new Development Objective Grant Agreement (DOAG) to govern USAID foreign assistance to Madagascar. The DOAG will establish a list of required GOM investments and commitments used as conditions precedent to USAID obligations. It will include provisions which incentivize increased GOM commitment to areas such as sufficient resource allocations to finance the operating costs of health systems (DO 1), establishing protected areas (DO 3), and disaster preparedness and response systems (DO 1). Under DO 2, USAID will support domestic resource mobilization efforts and more efficient use of existing resources.

The Mission will redefine its relationship with the government, whereby the GOM takes greater ownership of Madagascar's development agenda. CDCS strategic priorities are well-aligned with the PEM and designed to enable the GOM to utilize its existing resources more effectively and to establish additional resource streams for investments in the foundational needs for the country's J2SR.

## **ENGAGING THE PRIVATE SECTOR**

The private sector's financial resources and focus on market-driven economic growth are essential to Madagascar's ability to finance its J2SR. The 2020 Doing Business Report lists

various obstacles to expanding the private sector in Madagascar including political instability, lack of capital, limited access to financing, incoherent policies, limited purchasing power, high cost of imports, and a largely unskilled workforce. Fortunately, one of Madagascar's greatest challenges, engaging the private sector, is also one of USAID's comparative advantages. USAID is one of the few partners working with the private sector to improve health outcomes and natural resource management.

The Mission will implement public-private partnerships across sectors to improve efficiency, boost profitability, go to scale, and increase sustainability, all of which will help reduce the country's dependence on foreign assistance. Within DO 1, increased private sector engagement (PSE) will provide vital complementary products and services and help improve access to healthcare (IR 1.1). The Mission will work with the GOM and private sector partners to promote WASH access and increase access to markets and incomes from agriculture and off-farm activities. USAID will promote the management of water and sanitation facilities by private sector players to ensure better and continued access to services for communities.

With nearly 31 percent of the population between the ages of 25-54, and 80% of rural women employed in agriculture, there is a large labor force that could advance the country's development. Through New and Underutilized Partnerships (NUPS), DO 3 will engage the private sector to create formal employment and training opportunities, particularly for rural women and youth, in agriculture and ecotourism (IR 3.2). For example, USAID, in partnership with McCormick Spices, created the Sustainable Vanilla for People and Nature activity to conserve biodiversity, avoid deforestation, and improve farmer livelihoods through sustainable vanilla production (IR 3.3).

Engaging the private sector with a focus on gender equality has strong potential to spur greater gender equity and increased female leadership in the agricultural, environmental, and tourism sectors. One out of three private sector workers in Madagascar is a woman, and women represent 9% of managers in large firms, 28% in medium firms, and 33% in small firms.<sup>4</sup> Moreover, companies with women in top positions have greater labor productivity and more annual growth in employment and labor.<sup>5</sup>

## **ROLE OF CIVIL SOCIETY**

**USAID**, alongside other international donors, has helped steer the development of a strong, independent, and apolitical civil society in Madagascar. Civil society organizations (CSOs) are making notable contributions such as matrimonial laws, women's entrepreneurship, GBV, and access to credit adapted to the needs of women who are illiterate, without land tenure, or have

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<sup>4</sup> World Bank Group, *Enterprise Surveys - Madagascar*, 2013.

<sup>5</sup> World Bank. *Madagascar Country Economic Memorandum: Maximizing the Upturn to Foster a More Resilient Economy*, accessed June 22, 2020, <https://www.worldbank.org/en/country/madagascar/publication/memorandum-economique-de-madagascar-comment-profiler-de-lembellie-pour-favoriser-une-economie-plus-resiliente>.

no collateral. However, the lack of sustainable funding, limited female leadership, and overall fragmentation of CSOs pose challenges. Moreover, few CSOs focus on improving governance in Madagascar. This dearth of effective CSOs and other nongovernmental actors impedes greater participation and accountable governance. Since CSOs are often key to holding governments accountable, the Mission will strengthen national and local CSOs in selected districts and communes in geographic areas where the Mission implements other technical sector programs.

CSOs are critical to achieving CDCS objectives. They create pressure for transparency and greater accountability and play a key advocacy role for women who make up 85% of their membership. In health, the Mission has worked extensively with CSOs to support community-based service delivery via community health volunteers (CHVs). The Mission will continue to partner with CSOs to increase the GOM's capacity to deliver quality health services to its most underserved populations (IR 1.1). Journalists and national-level CSOs will be systematically engaged by the Court of Accounts to



more effectively utilize the results of audits to raise public awareness on how funds are used and advocate for effective use of public resources under IR 2.2. Activities under IR 2.3 will also expand citizen civic participation by setting up and strengthening commune-level platforms for citizen and CSO engagement with local government. Under IR 3.1, the Mission will build the capacity of environmental CSOs to enhance the effectiveness of their advocacy interventions to create greater accountability for natural resource management. Similarly, under IR 3.3, USAID will support the establishment and professionalization of farmer associations, agricultural cooperatives, and other rural CSOs to increase profitability and linkages with the private sector, while also strengthening their ability to advocate to their local governments.

## ALIGNMENT WITH THE COUNTRY ROADMAP

**M**adagascar's Country Roadmap highlights low Citizen Capacity scores across all three contributing indicators, demonstrated by the country's severely under-developed and under-leveraged human resources. To address this problem, USAID will work with the GOM to: 1) accelerate the positive impacts of healthy behaviors, access to services, resource mobilization, and health services governance and management (IR 1.1); 2) improve early grade reading and literacy outcomes (IR 1.2); and 3) improve the capacity of government, communities, and individuals to manage emergencies and mitigate the impact of shocks (IR 1.3). USAID will pursue targeted opportunities in partnership with other donors to help promote the quality, coverage, and equity of health, education, and social protection services, which will contribute to reducing poverty and building human capacity.

Accountable and capable government institutions are crucial for improving social and economic conditions in Madagascar. A root cause of the country's underdevelopment is a history of recurrent political crises sparked by public frustration with the government's failure to provide effective economic development and adequate social services, accompanied by a lack of transparency or responsiveness to citizen concerns. Public mistrust in and

disengagement from national life is reflected in the Country Roadmap, which shows average levels of government commitment but very weak government capacity. USAID will strengthen the rule of law by enhancing the efficiency of non-criminal courts (IR 2.1). In addition, the Mission will build the capacity of targeted government ministries and communes to improve domestic resource mobilization and the management of public funds (IR 2.2), as well as foster greater civic engagement between civil servants and citizens (IR 2.3).

With some of the world's most unique biodiversity, Madagascar's tremendous natural potential is under threat. Low scores in Biodiversity and Habitat Protection on the Country Roadmap indicate the clear need for better natural resource management and improved sustainable development. The Mission's focus on natural resource governance and improved protected area management and livelihoods addresses these gaps through activities that conserve high biodiversity areas, expand conservation finance mechanisms, and implement climate change adaptation and mitigation strategies (IR 3.1).

According to the Country Roadmap, Madagascar also ranks low in GDP Per Capita. The agriculture sector, which accounts for 24 percent of Madagascar's GDP, is the backbone of the country's economy. However, due to low investment, poor yields and changing climatic conditions, the sector has never reached its full potential. In partnership with the GOM and CSOs, and through the establishment of NUPs and PSE, the Mission will improve the enabling environment (IR 3.2) and the capacity of economic actors along the value chain (IR 3.3).

In the 2020 Doing Business Report, Madagascar ranked 140 out of 190 economies in efficiency at trading across borders. Low scores in Export Sophistication on the Roadmap highlight issues with trade cited as one of the greatest deterrents for private sector companies considering Madagascar. USAID will work with the Director General of Customs and other donors to provide equipment and technical assistance, resulting in a more sophisticated system that will allow customs officials to more easily monitor imports and exports, ultimately reducing the cost and time to export. Clear and digitized records will further work to create an enabling environment for the private sector and reduce the possibility of corruption (IR 3.2).

#### **EFFORTS OF OTHER UNITED STATES ACTORS**

**T**he Mission will continue its fruitful collaboration with other U.S. government agencies to advance CDCS priorities. Peace Corps has partnered closely with USAID, often through small grants from USAID where Peace Corps Volunteers (PCVs) and USAID goals align. More than 1,500 volunteers have worked with their communities on projects in agriculture (IR 3.1), health (IR 1.1), and education (IR 1.2).

Dating back to 2008, the U.S. Centers for Disease Control and Prevention (CDC) has assigned a resident Malaria advisor to Madagascar. As part of the President's Malaria Initiative (PMI), CDC has supported the implementation of malaria prevention and control activities. In addition, CDC has worked with the Mission to strengthen other infectious and vaccine preventable disease programs in the country (IR 1.1).

The Department of State will remain a strong partner. For PSE, the Embassy's Deal Team structure stimulates a cohesive interagency approach to enhancing investment opportunities and the business enabling environment in sectors prioritized by the CDCS such as agriculture and eco-tourism (IR 3.2). The State-USAID partnership will also be important for CDCS governance goals, particularly providing high-level diplomatic support for adherence to the rule of law and accountability to the public (IR 2.1). At the intersection of governance, protecting Madagascar's rich biodiversity, and reducing the influence of malign actors, interagency collaboration to combat wildlife trafficking will advance the CDCS goals of sustainable natural resource management and a greater commitment to enforcing the rule of law (IR 3.1). This cooperation is especially critical as Madagascar remains a focus country and a country of concern under the END Wildlife Trafficking Act.

## **IV. RESULTS FRAMEWORK**

### **GOAL STATEMENT AND NARRATIVE**

**M**adagascar currently has a rare window of opportunity to improve the foundational conditions for self-reliance that have thwarted human development, perpetuated a cycle of poverty, and heavily depleted natural resources. After decades of cyclical political instability that undermined national development, peaceful elections in 2014 and 2019 have ushered in a more stable political environment. When combined with the apparently progressive approach of President Rajoelina's administration, which seeks *inter alia* to combat corruption, promote private sector growth, and implement social reforms, this progress has served to boost international confidence and investment. USAID is well positioned to capitalize on this momentum and build on its earlier investments to address foundational conditions for self-reliance. USAID's goal for the 2020-2025 CDCS is: "Improved well-being and resilience of the Malagasy people to drive Madagascar's Journey to Self-Reliance." Our existing relationships, technical expertise, and convening power put us in a strong position to partner with the GOM, the private sector, CSOs, and other donors to achieve this objective.

The Mission will address clear deficits demonstrated by the Country Roadmap in citizen and government capacity as well as limitations in the GOM commitment to open and accountable governance and effective economic policy. In response to these deficits and focusing on the primary development challenges needed to achieve self-reliance, USAID will deepen the bilateral relationship in ways that were not possible until recently. In coordination with the United States interagency, the Mission will strengthen the GOM's ability to finance self-reliance through improved public financial management (PFM) and mobilization of local resources for development, to include the private sector. USAID will also foster favorable conditions for private sector-led growth and broader participation in targeted areas of the economy. USAID will engage women across sectors and at all levels of society to improve gender equality, enhance the agency of women and girls, and reduce harmful social norms and practices.

A well-educated and healthy population, good governance of financial and natural resources, and sustained economic development are foundational elements of a "virtuous cycle" of

progress on the path to self-reliance. Progress on any one of these objectives in isolation is not enough. In Madagascar, low human capital is a critical limiting factor to growth, citizen engagement, and stability. With this understanding, the Mission has made strategic choices to selectively support targeted, catalytic opportunities within these areas for promoting the J2SR.

### **DEVELOPMENT OBJECTIVE I: IMPROVED HUMAN CAPACITY TO CONTRIBUTE TO THE COUNTRY'S JOURNEY TO SELF-RELIANCE**

Development Hypothesis Statement: **IF** USAID investments catalyze a data-driven combination of discrete, targeted, direct service delivery and system-strengthening interventions in critical sectors, **THEN** measures of health, educational achievement, and citizen resilience will improve in quantifiable ways.

Development Hypothesis Narrative: Madagascar's human resources are under-developed and under-leveraged due to the population's low access to high-quality health, education, and social protection and disaster response services. Human capacity building is the process by which individuals, communities, groups, organizations, institutions, and societies develop their abilities—both individually and collectively—to set and achieve objectives, perform functions, solve problems, and develop the means and conditions required to enable this process. High levels of poverty and poor outcomes in health and education leave citizens ill-equipped to participate in civic and economic activities or respond to unexpected shocks. Under this DO, USAID will advance three interrelated components addressing individual and institutional needs that together will lead to healthier, better educated, and more resilient citizens.

### **HOST GOVERNMENT PRIORITIES**

Madagascar's national plan includes a focus on improved human capacity which encompasses the areas of health, education, and disaster risk management. Within health, the GOM has committed to ensuring basic quality health services for all and reinforcing FP. The PEM gives specific attention to gender as it addresses the promotion of women's rights, combating GBV, and enhancing women's access to FP to advance their health. Both the GOM and the Mission call for increased availability of and access to a continuum of quality health, nutrition and WASH services as well as strengthened governance, management, and leadership in the sector. USAID also seeks to ensure that members from vulnerable populations, who were previously absent from the health sector, secure access to quality health services, including people living with physical and mental disabilities, and those who identify as LGBTI.

In education, the MEN has worked with partners to realize the objectives of the Education Sector Plan (ESP) including school construction, establishment and dissemination of an updated curriculum, improved teacher training, and strengthened school leadership all with the goal of improving educational outcomes for students. While gender parity exists in enrollment and completion at the primary level, for girls, the GOM is demonstrating leadership to overcome barriers and rapidly improve access to quality education in alignment with the ESP.

By contrast, the GOM's commitment to disaster risk reduction is unclear. Annual funding for the national disaster management agency is chronically inadequate. Disaster risk management, monitoring, and response are heavily donor dependent, pushing the majority of the responsibility for resilience building onto individuals and communities. The Mission is focusing the majority of its interventions at the community level, strengthening resilience through such interventions as household livelihood diversification, the community construction of resilience-strengthening assets, the promotion of community savings and lending groups, capacity building for village disaster risk management committees, and coordinating officials at the local level. These efforts are complemented by focused technical assistance to build the capacity of the national disaster management agency (BNGRC).

## KEY PARTNERSHIPS

The largest donor in the health sector, USAID has been a leader in promoting community-based health systems which have provided healthcare to about 64 percent of the rural population. USAID engages robustly in donor coordination through participation in the Technical and Financial Partners group (PTF), a donor and technical partner coordination group chaired by the World Health Organization. Through the PTF, USAID makes strategic decisions regarding geographic location and program design, thereby broadening donor reach.

According to the 2019 Public Expenditure Budget, the GOM allocated less than 30% of the national budget on citizen capacity expenditures:

- 7.2% allocated to public health
- 15% allocated to national education
- 1.8% allocated to improvements in water, sanitation,

The active PTF for the education sector has aligned donor messaging and actions to advocate for policy changes. In 2018, in response to the GOM’s new education sector strategy, USAID invested \$1 million to design and pilot early grade reading (EGR) materials in Malagasy for students in grade one. The World Bank provided \$3 million in additional funding to scale up the pilot and undertake an external evaluation. This collaboration enabled the development of reliable evidence that spurred the GOM to take a data-driven decision to adopt, expand, and scale up the USAID piloted approach as the national approach to reading instruction in early grades.

Finally, while there is a strong system for donor coordination around rapid onset shocks, such as cyclones, challenges remain for slow onset shocks and longer-term readiness efforts for highly vulnerable populations. USAID through the Bureau for Humanitarian Assistance (BHA,) is uniquely positioned to sustainably strengthen community resilience through its multisectoral, long-term resilience building programming in chronically vulnerable communities.

**ASSUMPTIONS AND RISKS**

Assumptions	Risks
<ul style="list-style-type: none"> <li>● The funding from USAID and other donors in health and resilience-building will continue at the same level</li> <li>● The U.S. government will commit resources to key, targeted actions for improving basic reading and literacy skills in the education sector</li> <li>● The government recognizes the importance of participation and ownership of the community platform in health</li> <li>● Disaster risk reduction and climate change adaptations are prioritized by the GOM within the annual budgeting process</li> </ul>	<ul style="list-style-type: none"> <li>● Frequent changes at the Ministry level</li> <li>● Uncontrolled socio-economic impacts following the COVID-19 pandemic and other potential shocks</li> <li>● Resistance to policy and operational change on the part of the government and its leaders</li> <li>● Language of instruction decisions could slow curricular reform</li> <li>● Global health program-specific priorities and spending restrictions may have a limiting effect on integrated programming and health systems strengthening activities</li> <li>● Weak GOM coordination across Ministries involved in resilience building and disaster management and lack of clarity regarding the roles of each relevant GOM entity</li> </ul>

**IR 1.1: SUSTAINABLE HEALTH IMPACTS ACCELERATED**

**R**educing maternal, infant, and child mortality is a critical GOM priority and necessary to ensure improved health and well-being for the nation. USAID investments will continue to improve outcomes related to maternal, infant, and child mortality while advancing the health and well-being of the population. Building off prior successes, the Mission will work with the public to adopt better health and care seeking behaviors while addressing traditional beliefs, practices, and social norms that negatively impact them, particularly among women. In coordination with the GOM and other donors, USAID will ensure increased availability of and accessibility to a continuum of quality health, nutrition, and WASH services, and ensure resources for health and WASH are mobilized and optimized. USAID’s Community Capacity for Health Program (CCHP) will continue to partner with NGOs, CHVs, youth peer educators, religious leaders, and the GOM to scale up existing and new efforts at the community and policy levels that aim to reduce

CEFM, adolescent cohabitation, and birth rates, while increasing FP use and awareness of the negative effects of GBV, and improving the national policy environment for gender equity. These actions will increase self-reliance in Madagascar, engage multi-sectoral approaches via Ministries of Health, Population, Youth and Education, and enable the GOM to reach its FP2020 and SDG goals. Finally, USAID's work will increase the capacity of Madagascar's health sector to improve management and governance facilitating Madagascar's J2SR. As an example, USAID has built up a network of CHVs that provide health services to more than half of the rural population. USAID aims to fully integrate CHVs into the public health sector, with public sector providers providing the bulk of CHV supervision and training and the GOM supporting their salaries and benefits.

The Mission supports the GOM's vision that, "By 2030 the entire Malagasy Population is healthy, lives in a safe environment, and has a better and productive life." The National Health Sector Development Plan 2015-2019, outlined objectives including improving accessibility and affordability of preventative and curative health services; stimulating demand for and use of health services; effective participation and coordination of government, civil society and donors; decentralization of the health system; and scaling up high impact interventions to accelerate the reduction of maternal and infant mortality. The plan, in alignment with the Mission's work, also recognizes the importance of health issues faced by specific population groups, such as the elderly, persons with disabilities, and women.



USAID funded the Madagascar Health Financing Analyses (2019) which highlighted the importance of effective coordination between the GOM, donors, the private sector, and CSOs. The strong health PTF ensures effective coordination of activities and investments. This solid collaboration among partners also plays an important role in creating a clear choice for the GOM as the Chinese are increasingly trying to gain influence in this sector.

The Mission will continue to transition from direct support to a combination of service delivery and investments in systems strengthening that are linked directly to improving the accessibility to and sustainability of quality health and WASH services. Activities in the next five years will expand focus on local development solutions and promotion of country ownership and leadership to implement these solutions with good governance, accountability and transparency. The Mission will strengthen the GOM's ability to sustain its own development agenda by increasing the mobilization of domestic resources for health, engaging the private sector to expand delivery of quality products, scaling-up effective health financing strategies that increase financial protection for the poor, and improving service delivery efficiencies. It will support improvements in data quality, collection (including local level sex-disaggregated data) and build country capacity for analyses and the use of data for decision-making.

The Results Framework addresses challenges in supply, demand, and the enabling environment that are critical for increasing both the accessibility and use of services. On the demand side,

disseminating information and reinforcing messages about positive healthy behaviors and timely use of health services are key to changing behaviors. On the supply side, increasing the availability of and accessibility to a quality continuum of care services is fundamental to achieving results given inadequate infrastructure, human resources, drug stockouts, lack of medical supplies and equipment, as well as weak information, logistics, human resources, financing, and delivery systems. The Mission will improve the coordination and effective partnering between the GOM, donors, civil society, community and private sectors to strengthen management capacity and engagement at local and national levels.

### IR 1.2: BASIC EDUCATION OUTCOMES IMPROVED

Despite strong donor coordination within the education sector, the education system remains highly inefficient and ineffective. Per the latest Program for the Analysis of Education System (PASEC), Madagascar’s primary grade reading outcomes are among the lowest in Francophone Africa with 83% of students not meeting minimum proficiency for reading at the end of grade five. The Global Partnership for Education and the World Bank support the GOM’s package of wide-ranging education sector reforms, including expansion and national scaling up of the USAID-piloted EGR curriculum.

USAID will invest in strategic areas to support the effective national scale-up of the improved EGR curriculum which was piloted by USAID. Ensuring the quality and reach of improved reading instruction nationwide in early primary grades will improve the efficiency of the school system by reducing repetition and dropout rates, and provide the most critical tool for academic success in later grades: timely mastery of reading skills. Additionally, the new EGR curriculum will implement best practices in establishing a gender-sensitive curriculum. New textbooks and manuals will use gender equitable and inclusive language; gender equitable illustrations; and equal frequency of representation between girls, boys, women, and men.<sup>6</sup> These changes will help eliminate sexist stereotypes found in curricula, manuals, and teaching practices that reinforce socially approved norms contributing to CEFM, early pregnancy, and GBV.

In close partnership with the MEN and the World Bank, USAID will build the capacity of the national teacher training institutes and education faculties of national universities to ensure all new teachers receive adequate pre-service training in literacy instruction and gender-sensitive



- The Mahay Mamaky Teny or “I know how to read” program was an ambitious seven-month program to build capacity of the MEN.
- The program team was largely composed of MEN technicians from different departments and interns from the Ecole Normale Supérieure (ENS) or teacher training college.



<sup>6</sup> RTI International. *A Guide for Strengthening Gender Equality and Inclusiveness in Teaching and Learning Materials*. Washington, DC: U.S. Agency for International Development, 2015. <https://shared.rti.org/content/guide-promoting-gender-equality-and-inclusiveness-teaching-and-learning-materials-2#modal-29-628>

teaching practices. In addition, the system for in-service professional development and coaching will be strengthened through the rollout of training in EGR for teachers in high priority regions as the program is taken to scale.

Sustainably improving educational outcomes requires partnerships beyond the government. USAID will partner closely with private sector partners, including the national networks of Catholic and various Protestant schools, secular private schools, and publishers (ecumenical and secular), to further expand improved EGR instructional techniques and augment the availability and distribution of appropriate reading and teaching materials in schools. USAID will also support the revitalization of parent-teacher associations at schools both to sensitize parents to their role in supporting their children's academic success and to offer a platform by which parents can hold schools and teachers accountable for their performance.

The quality of implementation and ultimately the effectiveness of efforts to improve EGR can only be objectively assessed through data. To this end, USAID will provide technical assistance and equipment to build the capacity of the central and decentralized MEN staff to systematically collect, analyze, and report data on reading outcomes in early grades; and to use this information to make decisions regarding budgeting, monitoring, professional development, staffing and other critical issues at the local level.

### **IR 1.3: VULNERABILITY TO SHOCKS REDUCED**

**R**educing individual and community vulnerability to shocks is critical to sustainable human development. Investments that enable households and communities to plan for, mitigate, and recover from shocks preserve gains and protect investments in the health and education sectors by reducing the risk of depletion of resources and assets in the face of a catastrophe. Madagascar suffers droughts, regular infestations of Fall Armyworm and locusts, and multiple cyclones and floods each year. These disasters can incur costly damage to infrastructure that the GOM lacks the funding to rehabilitate, degrading public services and undermining development gains. Moreover, geographic and environment-related challenges have a disproportionate impact on women, youth, persons living with disabilities, and residents of rural areas. These populations often rely on agricultural-related sources of income, which these types of shocks and crises typically impact. Consequently, negative coping mechanisms emerge during times of crisis and disaster, including among women and girls who too often find themselves forced to use such mechanisms. For example, girls may fall victim to abuse and exploitation to meet their or their families' basic needs during times of crisis and shock. Vulnerable populations have fewer resources and mechanisms to bounce back from shocks and crises brought on by climate change, natural disaster, and mismanagement of natural resources. While the GOM seeks to seize its role as the coordinator of emergency assistance, weak capacity hinders its efforts, placing the onus on local communities and households to minimize the losses and expedite recovery related to shocks.

The presence of the COVID-19 pandemic places the population at further risk of having insufficient resources to face natural disasters and stressors. Loss of livelihoods has increased

because of containment and lockdown measures, especially for those in the informal sector which employs 9 out of 10 workers in Madagascar.<sup>7</sup> In fact, nearly every productive sector in Madagascar has been impacted, notably the services industry (of which tourism is a part) that makes up 54 percent of the country's GDP.<sup>8</sup> The impacts of COVID-19 have been even more detrimental for women and girls as the risk of GBV is higher in times of shock and gender norms act as key barriers to resilience<sup>9</sup>. Consequently, resilience-building is vitally important to sustainable human capacity outcomes.

USAID through BHA will extend its tested local disaster risk mitigation approach to new beneficiary communities over the coming five years. USAID will support a community-driven approach to identify the most common types of shocks affecting local areas and identify and implement priority actions to prepare for, mitigate, and recover from these shocks. USAID will improve women and girls' participation in risk reduction efforts. Risk reduction and coping strategies for longer-term threats such as multi-year droughts and the economic impacts of COVID-19 will also be addressed. Work will focus on the highly food insecure and disaster affected regions on the flood- and cyclone-affected southeastern coast, and on the drought- and insect infestation-prone southwestern coast. USAID will support the implementation of the national strategy for Risk and Disaster Management (2016-2030), setting up community level disaster risk management committees and providing them with training and tools for success. In doing so, USAID will apply lessons learned from both the Strategic Program for Climate Resilience (SPCR) and the accompanying Pilot Program for Climate Resilience (PPCR) which provide a sound gender analysis of risks and vulnerabilities to natural disasters that climate change has exacerbated. Also, USAID will build and reinforce communication with BNGRC to facilitate national level data collection and response coordination.

Shocks can expand beyond natural disasters and systemic political or economic shocks to include individual circumstances such as ill health, the theft of assets, or other unforeseen situations. USAID will strengthen resilience by improving health and nutrition outcomes, through investments in WASH infrastructure and behavior change, to provide the physical conditions needed to weather shocks. USAID will invest in adult literacy, establish village savings and lending groups, and improve education quality to ensure literacy for the next generation. These interventions, coupled with the training and resources needed to support diversification of livelihoods, will provide critical skills and income opportunities needed to better ensure food security and flexibly adapt and seize new livelihood opportunities for a quicker post-shock recovery.

## **DEVELOPMENT OBJECTIVE II: GOVERNMENT ACCOUNTABILITY AND EFFECTIVENESS IMPROVED IN ORDER TO MITIGATE CYCLICAL POLITICAL INSTABILITY**

Development Hypothesis Statement: **IF** the GOM accesses and mobilizes additional monetary resources to support development, provides citizens with tools to participate in democratic

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<sup>7</sup> UNDP. "The Socio-Economic Impact of COVID-19, Madagascar". April 2020: 6

<sup>8</sup> UNDP. "The Socio-Economic Impact of COVID-19, Madagascar". April 2020: 4

<sup>9</sup> USAID/Madagascar Gender Analysis Report, 2020.

processes and civic life, and takes actions to strengthen rule of law—with support from USAID and complementary efforts from other donors—**THEN** the GOM will have the enhanced accountability and effectiveness in the eyes of the public that is fundamental to establishing a stable political order.

Development Hypothesis Narrative: A fundamental challenge in Madagascar is that the GOM lacks accountability and effectiveness in the eyes of the public, leading to cyclical political instability that severely undermines national development. Improved governance is critical for sustaining gains in other sectors. This DO focuses squarely on building the capacity of targeted government institutions and personnel critical to achieving the CDCS Mission Objective. The Mission has been selective by identifying Ministries and communes that have demonstrated commitment to approaches for accountable governance envisioned by this DO, thus prioritizing partnerships with those partners most willing to change.

By addressing corruption and lengthy processing times in civil and business courts, and by improving the ability of staff at the Independent Anti-Corruption Bureau to prosecute cases, USAID will strengthen the rule of law in ways that engender public confidence while fostering an open and fair business climate and promoting economic growth (IR 2.1). Likewise, in order to make sustainable progress towards self-reliance, Madagascar needs to improve its ability to budget for, access, absorb, and implement development resources. USAID will partner with selected government ministries and communes to improve domestic resource mobilization, expenditure, and auditing. This approach will bolster the ability of the government to respond to citizen demands while reinforcing systems strengthening efforts in selected sectors (IR 2.2). Finally, USAID will support the GOM to better listen and respond to citizen needs by improving the ability of personnel to perform key government functions and supporting GOM initiatives to provide citizens—including underrepresented groups—with skills and platforms for participating in civic life (IR 2.3).



## HOST GOVERNMENT PRIORITIES

Through the PEM, the GOM has indicated a commitment to reforms that would strengthen government accountability, including addressing core economic and social issues by aligning with the 2030 United Nations Sustainable Development Goals. The governance provisions of the PEM include promoting greater citizen participation in democratic processes and civic activity, improving rule of law and justice system effectiveness, and strengthening government transparency and responsiveness. The PEM also calls for improving public financial management and administration to reduce government corruption and ineffectiveness, as well as renewing the focus on decentralization and more transparent, accountable, and participatory approaches to service delivery. Through Law No. 2011-012 the GOM requires all political parties to adopt a gender approach through their objectives and activities. However,

low representation of women in local and national government may create obstacles to the responsiveness of governance systems to the needs and priorities of women and girls.

**KEY PARTNERSHIPS**

To inform governance strengthening interventions, USAID undertook a thorough stakeholder consultation process that identified Madagascar’s highest priority unmet governance needs. Taking into consideration its manageable interests, synergies with the investments and priorities of the GOM and other donors, benefits to other U.S. investments and priorities (including across the Interagency), and geographic targeting where appropriate, the Mission selected a set of interventions most likely to yield the greatest sustainable impact with the resources available.

Certain interventions are intended to have a national-level impact, such as strengthening the Court of Accounts (COA), Madagascar’s supreme audit institution. Others are restricted to selected ministries or geographic regions in order to: i) enhance the impact of other ongoing U.S. investments; ii) advance U.S. influence in domains currently dominated by China; or iii) extend the coverage of similar interventions funded by previous USAID activities or other donors (e.g. World Bank) in different parts of the country (such as the setting up of public commune-level consultative governance platforms [SLCs] or professional development for selected sub-national government administrative offices). Similarly, USAID plans to engage subnational partners for domestic resource mobilization (DRM), including but not limited to mayors, commune agents, district agents, and region staff, within selected communes of three key regions. Activities under this CDCS complement work or fill gaps in coverage by donors such as the European Union (EU), UNDP and GIZ in areas including decentralization, improving public resource management, and addressing corruption.

**ASSUMPTIONS AND RISKS**

Assumptions	Risks
<ul style="list-style-type: none"> <li>● Central government transfers an appropriate level of resources to local governments</li> <li>● Political leadership supports and takes concrete measures to implement decentralization policy</li> <li>● Political stability persists (i.e. absence of renewed political crisis)</li> <li>● Budget allocations to cover institutions that USAID plans to support remain adequate</li> <li>● Focus on supply-side of good governance is an effective starting point for a long-term good governance</li> <li>● Improved GOM performance will increase citizen willingness to engage in civic life</li> </ul>	<ul style="list-style-type: none"> <li>● Political instability</li> <li>● Cabinet reshuffles or changes in senior government personnel slow down or block implementation of USAID activities</li> <li>● Government slows or blocks the implementation of USAID activities</li> </ul>

**IR 2.1: GOM DEMONSTRATES INCREASED COMMITMENT TO ENFORCING RULE OF LAW**

**M**adagascar’s performance in upholding the rule of law has deteriorated markedly since 2009. The World Justice Project 2019 Rule of Law Index ranks Madagascar 107 out of 126 countries for rule of law. Though the PEM cites “Good Governance and Institutions” as a priority, corruption, enforcement of laws and regulations, access to and the quality of civil and criminal justice, and government accountability for the quality and availability of public services remain formidable challenges. Disregard for rule of law among the country’s leadership strengthens mass disillusionment with government and even the notion of democracy itself. This contributes to widespread popular disengagement from democratic government institutions and processes such as pursuing justice through the formal legal system or participating civic life. These circumstances are particularly true of women who have a low rate of representation in decision making positions in local and national government. Limited literacy skills, limited ability to pay legal fees, and adherence to traditional legal systems often prevent women from accessing justice or exercising their rights. These detrimental effects contribute to Madagascar being among the least attractive countries in the world for foreign direct investment;<sup>10</sup> it ranked 161 out of 190 countries for the “ease of doing business” on the World Bank’s 2020 Doing Business Report. Supporting the GOM’s stated objective to combat corruption and strengthen rule of law will not only serve to build the foundation for stable development gains, but will also potentially enable Madagascar to regain eligibility for a Millennium Challenge Compact grant—an important source of additional assistance for under-resourced Madagascar.

The Mission will address rule of law in areas that support other DOs and complement efforts by other donors. It will improve the effectiveness of non-criminal courts to increase citizen confidence in the judicial system as a viable means to resolve disputes and seek justice—particularly true for women and young girls who are less likely to seek justice. While the legal and policy framework for issues such as GBV prevention and response and land tenure rights has become more comprehensive, the actual enforcement of laws is weak. Consequently, USAID’s work will emphasize better processing of land tenure cases since such cases are a significant part of the caseload and challenges involving land ownership have important repercussions for gender rights, biodiversity protection, resilience, and PSE. In addition, the Mission will look for further opportunities where our work might adopt a GBV-sensitive approach and further support women’s right to justice. Work described under IR 2.2 below will enhance the judicial system’s ability to ensure better quality delivery of public services and identify and reduce corruption. Additional activities under DO 3 will combat corruption through countering wildlife trafficking—a primary source of corruption in Madagascar—and assistance to the Customs Department to modernize their processing systems at ports of entry.

## **IR 2.2: INCREASED GOM ACCESS TO AND EFFECTIVE MANAGEMENT OF FINANCIAL RESOURCES FOR DEVELOPMENT**

**I**neffective public sector financial management (PFM) is a key impediment to economic growth, the delivery of social services, and citizen confidence in democratic processes. Despite having procedures for audit controls in place, internal audits—primarily the responsibility of the COA—

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<sup>10</sup> UNDP (2018). Rapport Annuel 2018: Vers un développement durable basé sur une transition démocratique.

lack adequate funding and generally do not take place. Other unmet needs weaken the COA including the need for legal reform to bolster its independence as well as resources, training, and strategic planning to do its job more effectively. In 2016, the GOM adopted a 10-year strategic plan to modernize PFM but progress has been hampered by lack of technical assistance. USAID will provide expertise to improve the quality and quantity of audits conducted as well as increased and improved reporting on the findings. The COA and its six provincial Financial Tribunals will be supported to analyze not only whether funds were used as expected, but also whether funds achieved their intended purpose and were utilized in line with stated priorities. In order to ensure audit findings and reports are utilized, the COA will receive technical assistance to effectively communicate and follow up on the implementation of recommendations by the subjects of their audits. USAID will support the COA to establish systematic communication with civil society organizations to ensure findings reach a broader audience to better hold the government accountable, and to align the annual report briefing to parliamentarians with the start of the annual budget process in order to facilitate parliamentarians' use of data to inform budget decisions at the highest level. According to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) 2015 Shadow Report, participatory budgeting is an effective tool for increasing women's participation in decision making in community development, which remains largely absent from Malagasy public finance and budgeting processes.

Madagascar's low aid absorption rate is a further indication of the challenges it faces in government effectiveness. From 2009 to 2015, the average aid absorption rate in Madagascar was just 67% for direct sector budget support, 75% for technical assistance, and 45% for loans. Several factors explain the bottlenecks in the country's programming and expending of aid resources, including: i) procedural and administrative constraints; ii) lack of coordination between partners' fiscal cycles and the government's budget year; iii) low capacity of administrative personnel; and iv) a failure to involve key stakeholders (deputies, civil society) in all phases of project design and management.<sup>11</sup> To improve central level budget formulation and execution, including absorption, USAID will provide government officials in high priority ministries with the needed skills and tools to help them prepare budgets, design scopes of work and other paperwork in compliance with donor requirements, identify and analyze the bottlenecks within their respective units and processes, and adopt procedural changes to reduce them. At the subnational level, USAID will select motivated commune government partners to receive support that will enable commune officials to collect revenues, mobilize domestic resources, allocate resources to priority needs and invest in community-identified high priority development projects. In addition, USAID will facilitate the adoption of transparent information sharing and professional skills development for greater shared clarity around the legal requirements and processes for the flow of funding and related reporting to combat corruption and improve the perception of subnational government administrative performance.

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<sup>11</sup> Secrétariat Technique Permanent pour de la coordination de l'aide (May 2016). Évaluation du taux d'absorption de l'aide à Madagascar.

### **IR 2.3: GOM ESTABLISHES FOUNDATIONAL CONDITIONS FOR IMPROVED RESPONSIVENESS TO CITIZENS**

Average Malagasy citizens have a limited understanding of the government's role and do not trust it to respond to their needs. Combined with a cultural tendency of average citizens to defer to authority, these factors have resulted in only limited citizen demand for greater government responsiveness and accountability. Civic engagement is confined largely to participation in elections, and most people have a limited understanding of the roles and responsibilities of citizenship in a democracy. Few CSOs have become effective intermediary bodies able to channel and advocate for societal needs and demands that are in the broader public interest to bind elites and make them more accountable to the population at large.

With respect to public administration, the GOM does not make efficient use of most available human, financial, and organizational resources. Recruitment and promotion practices lack transparency with many members of the administration reportedly selected without consideration of their qualifications, including those at the highest ranks in government. Officials often lack basic managerial skills and a lack of systematic accountability for staff performance allows poor performers to remain in the system for years without improving.

USAID will enhance the culture of performance among civil servants, increase their capacity to perform their duties effectively, and strengthen consultative governance platforms to facilitate citizens participation in civic life. USAID will focus on the support organizational development of national administrative training institutions (ENAM, INDDL) by: i) revising their curricula to include modules specific to policy and skills relevant to decentralized administrative functions; and ii) offering relevant, high quality, sequenced packages of continuing professional development for GOM employees and officials. Special attention will be given to women because while they represent only six percent of all decision-making leadership positions across the political system, they can play a critical role in helping to address many social issues, including GBV and gender equality.

Additionally, the Mission will support the government's implementation of its decentralization policy by catalyzing the start-up and vitality of SLCs in new geographic areas. Through USAID assistance, SLCs will offer a sustained opportunity for citizens to systematically engage in community governance and development processes, have their voices heard by officials, and thereby strengthen accountability.

In recognition of the need to ensure the capacity and motivation of citizens to participate in governance, the Mission has proposed to strengthen civic education for youth in secondary schools. As part of the Education Sector Plan, basic education is being extended from five years to nine, providing an opportunity to expose all youth to a rich civic education commensurate with their intellectual and emotional level of development in ninth grade. This activity has strong potential to provide a massive and sustainable impact at relatively low cost by providing the next generation of youth leaders with the skills and knowledge needed to constructively engage in Madagascar's political and civic life.

### **DEVELOPMENT OBJECTIVE III: MORE SUSTAINABLE ECONOMIC OPPORTUNITIES ARE AVAILABLE FOR POOR POPULATIONS (PRIMARILY WITHIN THE AGRICULTURAL AND ENVIRONMENTAL SECTORS)**

Development Hypothesis Statement: **IF** natural resources are sustainably managed, a favorable environment for private sector led-growth exists, and capacity to participate in the economy by different segments of the market is enhanced, **THEN** farmers and the poor will move beyond subsistence agriculture, have alternatives to slash and burn agricultural practices, increase their resilience, and eventually escape the poverty trap.

Development Hypothesis Narrative:

The growth diagnostic for Madagascar has shown that agriculture and tourism are amongst the highest growth sectors. Agriculture employs 80% of the population, primarily in rural areas. Given these statistics and how USAID work impacts biodiversity by reducing threats or improving conservation, agriculture and environment are the most feasible sectors for sustainable economic growth.

Environmental degradation, subsistence agriculture, and corruption—exacerbated by climate change—create a poverty trap for 75% of the population. Escaping that trap requires protecting the natural resource base and creating an enabling environment for the private sector to grow the economy. Increased access to electricity, secure land tenure, better regulations for investment, and increased capacity of actors all along key value chains will also advance sustainable economic growth.

DO 3 will promote sustainable natural resource management by working with the GOM, the private sector, and CSOs to foster improved agricultural practices and diversified rural livelihoods, conserve high biodiversity areas, strengthen environmental governance and conservation finance mechanisms, and implement climate change strategies. Target areas include landscapes and seascapes in MaMaBay, Menabe, Anosy; and the two forest corridors Ankeniheny-Zahamena and Fandriana-Vondrozo. USAID will improve the enabling environment for the private sector through trade facilitation, increased access to financing, and more secure land tenure. Additional gains will arise from increasing the capacity of economic actors along the value chain through enhanced access to markets, increased productivity, increased functional literacy of adults and youth, leveraging Power Africa to improve electricity access, and improved business development services. Since the growing youth population puts greater pressure on natural resources and job creation, USAID will incorporate youth into economic development and natural resource management activities. Similarly, DO 3 will consider gender concerns associated with certain economic, natural resource management and land tenure activities, particularly where women have limited decision-making power and opportunities for economic participation (i.e., revenue decisions, ability to earn).

COVID-19 has gravely impacted Madagascar's economy and natural resources. The tourism sector has completely stopped, and the agriculture and services sectors have been hit hard.

This has led poor people to turn towards destructive practices and environmental crimes to replace their lost income.

### HOST GOVERNMENT PRIORITIES

**S**ustainable economic development and environment are two pillars of the PEM. The GOM has demonstrated its commitment by actively looking to partner with the private sector in the agriculture, energy, and environmental sectors. GOM priorities such as investing in the green and blue economies, ecotourism and renewable energy, fighting illegal exploitation and deforestation, and addressing the effects of climate change all align with DO 3. The GOM has committed to ambitious reforestation targets as well as to preserving existing forests and increasing protected areas. It has asked for assistance in reforestation, protected area management, trade facilitation, land tenure, and access to electricity, demonstrating its interest in aligning with the CDCS.

The GOM's strategy for agriculture aims to develop sustainable modern agriculture, promote agribusiness, and strengthen the blue economy. The Ministry of Agriculture, Livestock, and Fisheries (MAEP) is updating policies and implementing reforms to attract foreign and national direct investments to the sector. The MAEP is also updating key legal frameworks including the National Agribusiness Strategy and the Law on Biological Agriculture.

### KEY PARTNERSHIPS

**F**or DO 3, USAID has completed donor mapping and identified major gaps. Partners usually work in different geographic zones to avoid duplication. The key environmental donors (EU, UN, WB, GIZ, JICA and AFDB) primarily coordinate with USAID in environmental governance, sustainable natural resources management, climate change, and private sector engagement. Collectively, this group presents a powerful force against malign actors such as China which participates in wildlife trafficking and other practices that destroy Madagascar's natural resources. BHA projects coordinate with other projects funded by IFAD, the EU, and GIZ to share best practices to help provide a complete package of assistance to farmers that improves agricultural techniques, access to markets, and the development of value chains. These projects partner with the GOM to provide technical support to farmers and facilitate land registration through support to the land management office (*Guichet Foncier*). BHA projects also work with local service providers for seed multiplication and marketing, as well as with producer associations along targeted value chains to facilitate trade and investment.

USAID collaborates with CSOs to support their engagement and advocacy actions, especially to represent communities and establish good governance. Key partners include national platforms of CSOs working in the environment and CSOs working on land tenure and the local management of marine zones.

### ASSUMPTIONS AND RISKS

Assumptions	Risks
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<ul style="list-style-type: none"> <li>• Political will exists to prioritize preservation of environment in national and sectoral policies</li> <li>• Political will exists to combat corruption and environmental crimes</li> <li>• Political stability and adequate institutional knowledge and capacity exists across key Ministries</li> <li>• Donor funding maintained for agriculture and environment sectors</li> <li>• Government continues to prioritize land reform to secure land rights in rural areas</li> <li>• Consumer demand for green and blue products continues to increase</li> </ul>	<ul style="list-style-type: none"> <li>• Large mining investment in protected areas</li> <li>• Chinese business practices are putting at risk small-scale fisher communities</li> <li>• Global economic downturn and current vanilla price decreases are detrimental to economic growth</li> <li>• Major shocks (COVID-19 impacts, prolonged drought, insect infestation, disease outbreak, etc.) overwhelm communities' ability to participate in and benefit from USAID activities</li> <li>• Environmental degradation and accelerated climate change</li> <li>• Market instability and fluctuations for key value chains supported by USAID</li> </ul>
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### IR 3.1: NATURAL RESOURCES SUSTAINABLY MANAGED

**B**iodiversity conservation and sustainable management of Madagascar's natural resources are undermined by ineffective implementation of legal and regulatory frameworks, restrictions on land tenure, weak protection of property rights, and poverty and corruption. The GOM committed to the 2003 Durban Vision and the 2014 Promise of Sydney which aimed to triple both its terrestrial and marine protected areas. Despite this commitment, it has made few gains and its stated time frame for reaching these goals has long passed. Inadequate funding for protected areas and natural resource management, low capacity development to GOM staff and local communities, and an inability to prosecute environmental crimes have all led to a higher deforestation rate and biodiversity degradation. DO 3 activities will conserve Madagascar's biodiversity areas through more effective protected area management based on territorial planning at a landscape level. These areas include tropical forests, dry forests, marine areas, coral reefs, and mangroves with high rates of endemic biodiversity that are under threat and require conservation efforts to preserve key ecosystems and species. USAID will support community-based natural resource management by working with the private sector and conservation enterprises. This activity will include support to eco-friendly agribusiness and ecotourism development via the establishment of concessions and sharing of benefits with local communities.

USAID will reinforce environmental governance by creating the enabling conditions for effective conservation of natural resources, devolving user rights and benefits to communities, and improving the processes for securing land tenure. Secure land tenure is a bridge to economic growth. Moreover, women's land rights are directly tied to their ability to gain an economic foothold in the country. Their lack of access to resources, including land, means that they lack collateral, preventing them from securing loans.

The GOM's budget allocations to the environment and tourism sectors are inadequate. There is a lack of sectoral coordination and key stakeholders such as communities and the private sector are often marginalized. USAID will expand conservation finance mechanisms by partnering with communities and the private sector. These mechanisms will promote payments for ecosystem

services using a landscape approach including watershed management, sustainable mangrove management and related economic activities, and productive marine activities in locally managed marine areas.

The impacts of climate change threaten Madagascar's biodiversity and its people. Climate change due to deforestation and environmental degradation affects access to resources, productivity, and the ability to maintain livelihoods, especially for women. USAID will help farmers to improve their economic and climate resilience by using improved practices through conservation agriculture. This effort will result in improved yields using less land, thus reducing deforestation and greenhouse gas emissions. USAID will promote renewable energy and support rural electrification through hydropower production and/or promotion of improved cooking stoves using alternative energy sources such as ethanol. Additional efforts will target reforestation and landscape restoration to support conservation and establish sinks for carbon sequestration.

### **IR 3.2: ENABLING ENVIRONMENT FOR PRIVATE SECTOR IMPROVED**

Inclusive economic growth that fosters job creation and economic opportunity requires a strong enabling environment for the private sector. The World Bank 2020 Madagascar Economic Memorandum reported that the lack of organized supply chains, deficiencies in access to physical capital including road infrastructure and electricity, and obstacles to accessing land were major barriers for the private sector to invest in the agriculture sector. In line with USAID's comparative advantage, DO 3 activities will improve the enabling environment by facilitating trade, increasing access to finance and electricity, securing land tenure, and under BHA programs improving road infrastructure and supply chains to facilitate private sector engagement and investment in rural areas.

Madagascar's main exports are textiles and agricultural commodities such as vanilla<sup>12</sup>, cloves, coffee, shellfish, and fiber. Frequent changes in trade policy and long delays at ports have caused inefficiencies in trade import and export. The GOM has developed a comprehensive trade facilitation road map and requested assistance to modernize the customs processing system and reduce delays at ports of entry. USAID will assist the Ministry of Industry and Commerce (MICA) to implement the Trade Facilitation Roadmap and help develop trade policy for vanilla, coffee, cocoa and ethanol for cooking. Also, USAID will provide assistance to the Customs Department in alignment with the Agency's New Partnership Initiative (NPI).

For private sector production to increase, smallholder farmers and fishermen, social enterprises, and other informal actors must have access to financing—particularly true of women, who in developing countries are 20 percent less likely to have a formal bank account and 17 percent less likely to have informally borrowed money.<sup>13</sup> In Madagascar only 5.5

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<sup>12</sup> Vanilla represents 26.1% of all exports.

<sup>13</sup> World Bank. *Expanding Women's Access to Financial Services*, n.d.

percent of Malagasy women had an account at a financial institution in 2014 and social norms frequently prevent women from having collateral such as land needed to obtain a loan.

Madagascar's micro-finance institutions (MFIs) have fairly low capacity and are not well regulated, while traditional banks do not have deposit insurance. This has led to a lack of trust from the public when these institutions have failed. To increase public trust, capacity, and regulation of the financing sector, USAID will work with the U.S. Treasury which supports the Ministry of Economy and Finance to update the regulatory framework for banks and MFIs and institute a deposit insurance system. For the unbanked, activities will focus on establishing a culture of savings through village savings and loans associations (VSLAs). USAID food security and health activities have also supported the Savings and Internal Lending Communities (SILCs) and VSLAs, promoting women's economic empowerment through easy access to credit and other financial services for households and healthcare providers. USAID will scale up this approach to reach a larger percentage of the population in our target areas.

Only 15 percent of Madagascar's population has access to electricity, with only five percent access in rural areas. USAID's Southern Africa Energy Program, part of Power Africa, is currently implementing activities in Madagascar focused on rural electrification, financing and business development for smaller energy companies, and providing technical assistance to the national utility to modernize the grid. There are a number of US energy and financial firms working in Madagascar and growing opportunities for more American businesses to invest.

Based on evidence from past work in the areas of food security and PSE, activities under BHA will improve feeder roads to increase market access and expand opportunities for existing formal and informal small and medium enterprises. The GOM has demonstrated its commitment to facilitate access to supply chains through the rehabilitation of main roads to high agriculture potential areas and the implementation of special Agriculture Processing Zones (*Zone de Transformation Agricole*) and *Zones d'Emergence Agricoles*.

### **IR 3.3: CAPACITY OF ECONOMIC ACTORS ALONG VALUE CHAINS IMPROVED**

**G**iven its tremendous potential for inclusive economic growth and for poor rural household participation, agriculture (including livestock and fisheries), is a main focus of DO 3. The sector is characterized by low-productivity subsistence agriculture practiced by a majority of poor farmers having less than 1.5 hectares of land with an average of 60% of their production devoted for self-consumption.<sup>14</sup>

The Mission aims to facilitate moving more than 95,000 households from subsistence to commercial agriculture and significantly increase their income. In addition, USAID will assist an estimated 60,000 individuals in the MaMaBay and Menabe regions to use climate information and implement risk-reducing actions to improve resilience to climate change. The Mission will maintain its focus on farmers, agro-entrepreneurs and actors in key value chains of staple foods (rice, cassava, maize and vegetables) and high value cash crops (spices, coffee, cacao, livestock

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<sup>14</sup> FAO-Rapport Final EPASA 2019

and fishery products) in the poor regions of the North East, Central West, Southeast and Southern parts of Madagascar. The aim is to improve their capacity to achieve important transformational household income gains that, where possible, may be taken to scale.

To spur greater investment, facilitate trade, and create economic opportunity in the target rural areas, the Mission will organize producers into cooperatives, increase their production capacity, and support them to build agriculture aggregation centers that facilitate their negotiation power with larger private sector players. Greater access to technical training, financing and educational support will help to better integrate women into agricultural value chains. Women have traditionally faced barriers and constraints in terms of limited access to farm inputs and technology, power imbalances during price negotiations with middlemen traders, low participation in seed multiplication and agri-business activities, and reduced access to credit.<sup>15</sup> The strategy also aims to support actors along the value chain by improving the financing, operations and management and sustainability of agri-businesses, wholesalers and exporters.



USAID will actively engage in biodiversity conservation and eco-friendly businesses such as ecotourism, renewable energy, and shade-grown crops such as vanilla and cocoa. This will improve sustainable production, increase productivity as well as enhance access to markets through value chain development, improved agricultural techniques and infrastructure, and diversification into more nutritious and high value products. According to the World Bank's World Development Index, agriculture accounts for 60 percent of youth and 70 percent of women employment. Therefore, the Mission will expand participation by women and youth in social enterprises and foster access to the agriculture and tourism value chains.

The Mission's PSE Plan envisions expanding the diversity of partnerships to include financial investors, large fishing and farmer organizations and private sector actors such as contract-farming organizations, agro-processors, supermarket chains and tourism operators. The most notable partnership opportunities are with local and international companies looking to secure and green their supply chains while also offering expertise and linkages to markets. USAID will expand these types of collaborations under the CDCS.

This IR aligns with the PEM's aims to modernize agriculture and increase competitiveness in the agricultural, fisheries and forestry sectors. The GOM is updating the agriculture, livestock and fisheries sector legal framework which will facilitate efforts under this IR. Partners, including the African Development Bank, World Bank, GIZ, EU and IFAD support complementary efforts such as value chain development, strengthening agricultural markets, and investments in relevant infrastructure, energy and tourism sectors.

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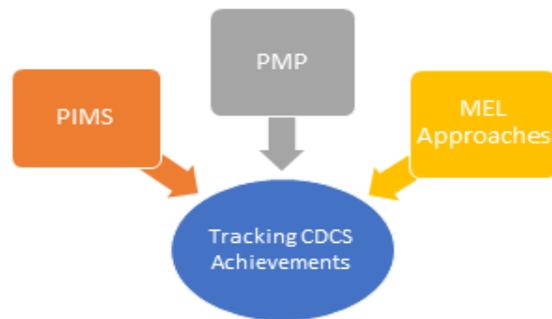
<sup>15</sup> DCED. *Gender-Responsive Green Growth: Green Value Chains*, August 2019.

## V. MONITORING, EVALUATION, AND LEARNING

Monitoring, evaluation, and learning (MEL) is critical to the success of the Mission’s strategy. In order to systematically track progress towards the objectives identified in the results framework, learn from ongoing implementation, and adapt programs as necessary, the Mission will put in place a robust MEL system built on critical learning priorities and appropriate approaches to gather evidence needed to make programming decisions throughout the life of the CDCS.

The Mission anticipates prioritizing learning around four thematic areas to identify the learning priorities aligned with the Agency’s Self-Reliance Learning Agenda:

- Conditions for the GOM to improve capacity to deliver quality services and to increase commitment to enforcing rule of law;
- Factors contributing to the cost effectiveness and sustainability of local capacity building interventions in critical sectors
- Conditions needed for fostering private sector engagement and increasing sustainable livelihoods
- Effective integration of gender dimensions in the interventions to achieve the CDCS goals



As shown in the diagram above, the Mission’s MEL system includes the Performance Management Plan (PMP), the Performance Indicator Management System (PIMS), and MEL approaches. These will be strategically designed and incorporated into program management to support learning that clarifies the correlation between MEL data and program development outcomes to provide ongoing feedback and inform course corrections.

During PMP development, the Mission will revisit the learning themes above and identify specific learning priorities and questions that will frame the best MEL approaches for answering these questions. These approaches will focus on performance monitoring, targeted evaluation and Collaboration, Learning, and Adapting (CLA) to address the knowledge gaps identified through a participatory analysis and identification of the Mission learning priorities.

As part of the monitoring approach, the PMP will include a set of key indicators measuring the host country’s level of capacity and commitment, such as the capacity of the GOM to effectively deliver services in the development sectors and the GOM’s commitment to improve the local business environment. PIMS provides timely detailed information and analytics about each performance indicator and can provide evidence about whether the programs are making progress towards the CDCS goals and objectives. The Mission will continue to monitor context indicators relevant to the sectors supported by USAID and that can be collected at reasonable

costs through secondary data sources or surveys. Monitoring activities include the use of interactive mapping data and technical support to the local geographic information system (GIS) networks led by the line ministries (environment, agriculture, WASH) to provide additional data. USAID collaboration with the GIS network also aims to strengthen the local monitoring systems for better informed decision-making.

Gender sensitive indicators along with other data sources already identified in the recent gender analysis will be used to assess the CDCS intervention design and implementation from a gender perspective. The Mission will keep evaluating the gender dimensions already incorporated in MEL such as CEFM, inclusive emergency preparedness plans to respond effectively to food security, women's empowerment in natural resource management, etc.

The Mission will conduct rigorous and independent evaluations following the USAID Evaluation Policy requirements to provide opportunities for in-depth reflections on the CDCS learning priorities and strategic approaches. The Mission will ensure that the evaluation results are discussed with the key stakeholders through the pause-and-reflect sessions to steer project interventions towards effectiveness and sustainable development impacts. When appropriate, the Mission will recommend using the established national evaluation framework and evaluation working groups in some sectors (e.g. nutrition, environment) to leverage local resources in the evaluation design.

As part of the CLA approach, the Mission will continue to organize periodic pause-and-reflect sessions involving the implementing partners and other key stakeholders, especially the private sector and civil society, to encourage a learning culture that purposefully reflects on achievements and progress made towards the CDCS goals. Emphasizing strategic collaboration to share knowledge and capabilities through joint work planning, joint site visits, working groups with the GOM, donor partners, private sector, civil society, and other key stakeholders is crucial for the Mission to advance CLA. The CLA plan -- which includes the CDCS mid-course stocktaking—will be developed in the PMP.

As part of the skills and technology transfer to the GOM, the Mission's support to the public health information system through the DHIS2 platform contributes to more reliable health data and indicators reported to the PIMS. As good quality MEL data is often associated with positive project outcomes, periodic data quality assessments will be carried out according to USAID's data quality standards. In the other priority sectors, the Mission will use its leadership and convening power to support the GOM's initiatives in harmonizing the monitoring systems and learning activities across the stakeholders. It will play an active role in stimulating established working groups and peer learning networks charged with overseeing the issues raised by the CDCS learning priorities as well as other critical development concerns for the sectors.

## **NEW PARTNERSHIPS INITIATIVE**

The Mission will leverage several Partnership Approaches under the new CDCS. In particular, the Mission will endeavor to make direct awards to NUPs, including awards to local entities, locally established partners, and local organizations, as well as leverage awards to organizations that co-fund with cash. Along with increased private sector engagement, the Mission will leverage NUPs to establish foundational conditions, build local capacity, and assist the country in its transition to self-reliance.



The NPI presents an opportunity to redefine our relationship with the government, whereby direct awards and strategic capacity building to key GOM offices can empower the GOM to take greater ownership of Madagascar's development agenda. Moreover, through the use of direct awards to GOM institutions, the Mission is well positioned to support the GOM's commitment to human capacity, governance, and economic reforms.

### **III. ANNEXES**

#### A. Journey to Self-Reliance Country Roadmap - 2020

# MADAGASCAR

JOURNEY TO SELF-RELIANCE:  
FY 2020 COUNTRY ROADMAP



## LEGEND

0-1 Score

Madagascar's Score  
0-1, least to most  
advanced globally



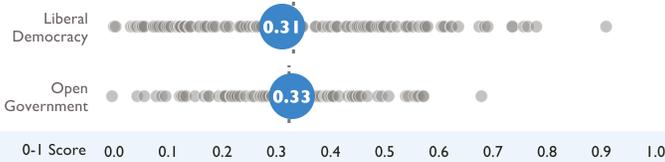
Other Low- and  
Middle- Income  
Countries' Scores



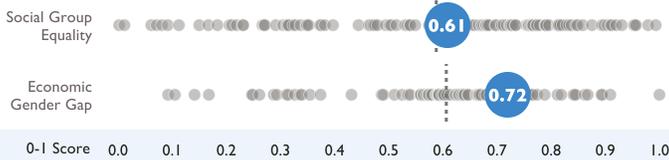
Average Score for  
Low- and Middle-  
Income Countries

## COMMITMENT

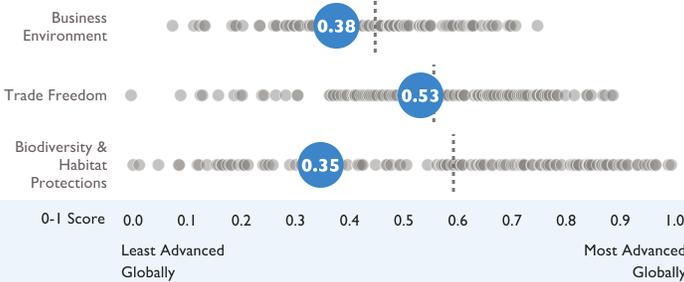
### OPEN AND ACCOUNTABLE GOVERNANCE



### INCLUSIVE DEVELOPMENT



### ECONOMIC POLICY



### RISK OF EXTERNAL DEBT DISTRESS

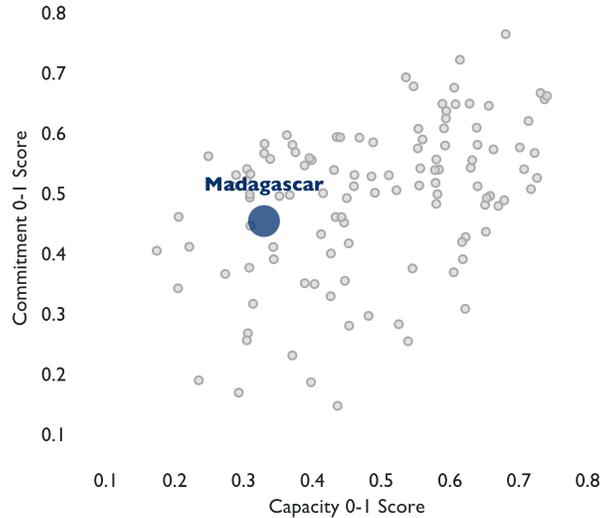
Low

Moderate

High

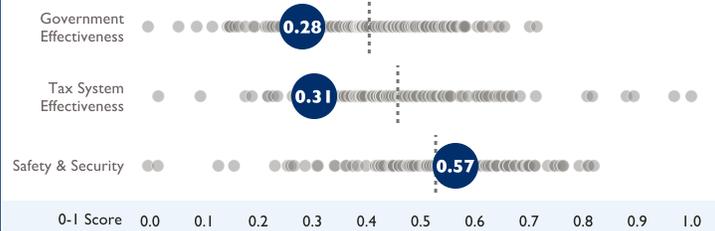
In Debt Distress

## LOW- & MIDDLE-INCOME COUNTRY SNAPSHOT

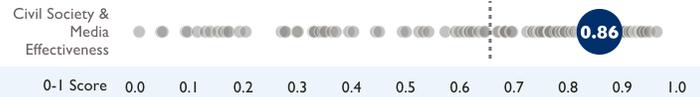


## CAPACITY

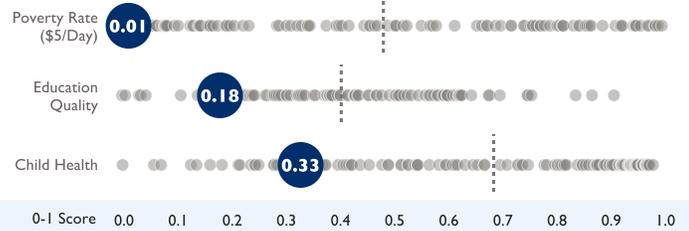
### GOVERNMENT CAPACITY



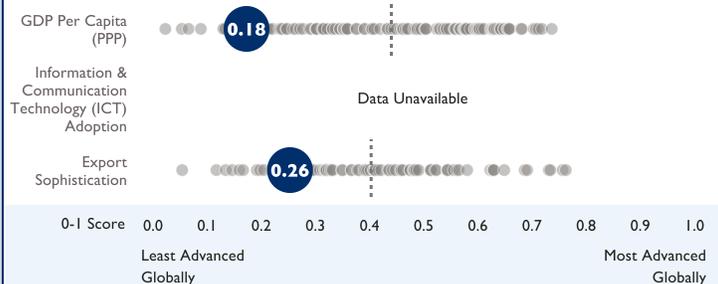
### CIVIL SOCIETY CAPACITY



### CITIZEN CAPACITY



### CAPACITY OF THE ECONOMY



# SELF-RELIANCE ROADMAPS

## INDICATOR DEFINITIONS AND SOURCES

### COMMITMENT

#### OPEN AND ACCOUNTABLE GOVERNANCE

**Liberal Democracy:** Measures freedom of expression, freedom of association, suffrage, elections, rule of law, judicial constraints on the executive branch, and legislative constraints on the executive branch. Source: [Varieties of Democracy \(V-Dem\)](#).

**Open Government:** Measures the degree to which a government shares information, empowers people with tools to hold the government accountable, and fosters citizen participation in public policy deliberations. Sub-factors include: publicized laws and government data, right to information, civic participation, and complaint mechanisms. Source: [World Justice Project, Rule of Law Index](#).

#### INCLUSIVE DEVELOPMENT

**Social Group Equality:** Measures political equality with respect to civil liberties protections across social groups as defined by ethnicity, religion, caste, race, language, and region. Source: [Varieties of Democracy \(V-Dem\)](#), [Social Group Equality in Respect for Civil Liberties](#).

**Economic Gender Gap:** Index comprising five components: (1) wage equality between women and men for similar work; (2) the ratio of female estimated earned income to male income; (3) the ratio of female labor force participation to male participation; (4) the ratio of female legislators, senior officials, and managers to male counterparts; and (5) the ratio of female professional and technical workers to male counterparts. Source: [World Economic Forum, Global Gender Gap Report, Economic Participation and Opportunity Sub-Index](#).

#### ECONOMIC POLICY

**Business Environment:** Assesses a country's entrepreneurial climate by measuring business' access to infrastructure (such as the internet and transport, and to credit), business flexibility (the costs of starting business and of hiring and firing), clear and fair regulations (e.g., intellectual property rights), and perceptions of meritocracy and opportunity. Source: [Legatum Institute, Prosperity Index](#).

**Trade Freedom:** Measures a country's openness to international trade based on average tariff rates and non-tariff barriers to trade. Source: [Heritage Foundation, Index of Economic Freedom](#).

**Biodiversity & Habitat Protections:** Measures extent of marine protected areas, terrestrial biome protection (weighted for both national and global scarcity), representativeness of protected areas, and whether protected areas cover the ranges and habitats of critical species. Source: [Yale University/Columbia University Center for International Earth Science Information Network \(CIESIN\)](#).

#### RISK OF EXTERNAL DEBT DISTRESS

Rates a country's risk of public sector debt distress on a four-tier scale: "low risk", "moderate risk", "high risk", and "in debt distress". Ratings are based on countries' debt and market structures, fiscal and macroeconomic outlook, and institutional capacity to manage debt burden. Ratings help guide the borrowing decisions of lower-income countries to meet development needs while reducing the chances of excessive debt build-up. Ratings are shown for 54 lower-income countries for which the IMF prepares risk ratings and are not scored components of Commitment or Capacity. Source: [International Monetary Fund, Debt Sustainability Analysis for Low-Income Countries](#).

All source data are for the latest year available, typically 2018 or 2017, and are derived from third-party institutions. All indicators are weighted equally in the calculation of the overall Commitment and Capacity scores. Names and boundary representation in the map are not necessarily authoritative.

For more information on definitions and sources, please visit [selfreliance.usaid.gov](http://selfreliance.usaid.gov).

### CAPACITY

#### GOVERNMENT CAPACITY

**Government Effectiveness:** Measures the quality of public services, the quality of the civil service and its independence from political pressure, the quality of policy formulation and implementation, and the credibility of the government's commitment to its stated policies. Source: [World Bank, Worldwide Governance Indicators](#).

**Tax System Effectiveness:** Estimated ratio between a country's tax collection and the expected level of tax revenue that a country could achieve, given its macroeconomic, demographic, and institutional features. Source: [USAID, Collecting Taxes Database, Tax Effort Indicator](#).

**Safety & Security:** A combination of objective measures of security, and subjective measures of personal safety, personal freedom, and social tolerance. Source: [Legatum Institute, Prosperity Index](#).

#### CIVIL SOCIETY CAPACITY

**Civil Society & Media Effectiveness:** Measures the range of actions and mechanisms that citizens, civil society organizations, and an independent media can use to hold a government accountable. The mechanisms include using informal tools such as social mobilization and investigative journalism. Source: [Varieties of Democracy \(V-Dem\)](#), [Diagonal Accountability Index](#).

#### CITIZEN CAPACITY

**Poverty Rate (\$5/Day):** Measures the percent of the population living under \$5/day in purchasing power parity (PPP) terms. Source: [World Bank, PovCalNet](#).

**Education Quality:** Gauges both the quality of education—using harmonized scores across major international student achievement testing—and the quantity of schooling received—using age-specific enrollment rates—to evaluate the relative performance of educational systems worldwide. Source: [World Bank, Human Capital Index, Learning-Adjusted Years of Schooling Indicator](#).

**Child Health:** A composite measure that aggregates child mortality, access to at least basic water sources, and access to at least basic sanitation facilities. Source: [Columbia University Center for International Earth Science Information Network \(CIESIN\)](#).

#### CAPACITY OF THE ECONOMY

**GDP Per Capita (PPP):** Measures the flow of resources available to households, firms, and government to finance development as the country's total Gross Domestic Product (PPP) divided by the country's population. Source: [World Bank, World Development Indicators](#).

**Information & Communication Technology (ICT) Adoption:** Index comprising: (1) mobile-cellular telephone subscriptions; (2) mobile-broadband subscriptions; (3) fixed-broadband internet subscriptions; (4) fiber internet subscriptions; and (5) internet users. Source: [World Economic Forum \(WEF\), Global Competitiveness Index](#).

**Export Sophistication:** Measures the diversity and ubiquity of a country's exported goods, key markers that can help gauge economic sophistication and resilience. Source: [Center for International Development at Harvard University, Economic Complexity Index](#).