

## The Challenge

Stricken with widespread poverty, capacity deficits and corruption, Madagascar faces immense development challenges. The country has an average per capita income of only \$255, 70% of the population lives below the poverty line, and life expectancy hovers at 55 years. This legacy is a major challenge for government and donor partners working to transform the country. With an overall goal of increasing sustainable and inclusive economic development in Madagascar, USAID directly addresses these problems by strengthening the capacity of local non-governmental organizations and selected government institutions; promoting public-private dialogue and partnership; supporting the advancement of a national anti-corruption agenda; increasing access to quality health services and products; improving natural resource management; promoting private investment; and increasing rural incomes.

## Objectives, Sectors and Workforce

MCA Status: Signed Compact

PEPFAR Focus Country: No

Provided or Received Services From Other Missions: Received

Mission Director: Henderson Patrick

### Program Budget (Appropriations by Objective)

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07	2005 SO Performance Score	Direct SO Admin. Cost Ratio
687-004 Governance in Targeted Areas Improved	1,647	1,900	1,875	400	-75.7%	0.80	Not Met
687-005 Selected Health Services and Products	10,365	13,615	11,526	11,479	10.7%	1.24	Exceeded
687-006 Biologically Diverse Forest Ecosystems Conserved	8,233	6,847	8,091	7,729	-6.1%	1.02	Met
687-007 Critical Private Markets Expanded	498	677	0	0	N/A	1.71	Exceeded
687-008 Support to MCC	0	1,183	0	0	N/A	N/A	0.09
PL 480 Title II not Allocated to a Strategic Objective	12,477	10,528	14,063	18,000	44.3%		
<b>Country Total</b>	<b>33,220</b>	<b>34,750</b>	<b>35,555</b>	<b>37,608</b>	<b>13.2%</b>		

### Program Budget (Appropriations by Account)

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Child Survival and Health Programs Fund	10,365	13,315	11,526	11,479	10.7%
Development Assistance	10,378	9,424	9,966	8,129	-21.7%
Global HIV/AIDS Initiative	0	300	0	0	N/A
Millennium Challenge Account	0	1,183	0	0	N/A
PL 480 Title II	12,477	10,528	14,063	18,000	44.3%
<b>Total</b>	<b>33,220</b>	<b>34,750</b>	<b>35,555</b>	<b>37,608</b>	<b>13.2%</b>

### Program Budget by Sector and Account

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Basic Education DA	500	1,200	983	0	N/A
Agriculture and Environment DA	8,731	7,524	8,091	7,729	-11.5%
Economic Growth MCA	0	1,183	0	0	N/A
Human Rights DA	0	200	0	0	N/A
Democracy and Governance DA	1,147	500	892	400	-65.1%
Family Planning / Reproductive Health CSH	3,540	5,540	4,093	3,524	-0.5%
HIV / AIDS CSH	2,000	2,000	1,977	1,980	-1.0%
GHAI	0	300	0	0	N/A
Child Survival and Maternal Health CSH	2,825	3,475	3,287	3,475	23.0%
Other Infectious Diseases CSH	2,000	2,300	2,169	2,500	25.0%
PL 480 Title II not Allocated to a Sector	12,477	10,528	14,063	18,000	44.3%
<b>Total</b>	<b>33,220</b>	<b>34,750</b>	<b>35,555</b>	<b>37,608</b>	<b>13.2%</b>

### Workforce

	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
US Direct Hires	6	5	6	5	-16.7%
US Non Direct Hires	5	7	5	3	-40.0%
Foreign Nationals	76	77	59	50	-34.2%
<b>Total</b>	<b>87</b>	<b>89</b>	<b>70</b>	<b>58</b>	<b>-33.3%</b>

### Operating Expense

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Salaries and benefits	827	862	586	586	-29.1%
Travel	163	208	171	171	4.9%
Transportation of things	152	118	70	70	-53.9%
Rent	348	380	372	372	6.9%
Security	67	71	53	53	-20.9%
Equipment	187	244	58	58	-69.0%

ICASS - Operating Expense only	140	167	239	239	70.7%
Other Operating Expense	952	401	302	302	-68.3%
<b>Total OE Budget</b>	<b>2,836</b>	<b>2,451</b>	<b>1,851</b>	<b>1,851</b>	<b>-34.7%</b>
US direct hire salary and benefits	542	711	657	485	-10.5%
Program Funded Administrative Expenses				2,148	
<b>Country Total Administrative Budget</b>				<b>4,484</b>	
<b>Percent of Bureau OE Total</b>				<b>2.4%</b>	

**Mission Summary**

	FY 2004	FY 2005	FY 2006	FY 2007
Program per US Direct Hire (\$000)	5,537	6,950	5,926	7,522
Program per All US (\$000)	3,020	2,896	3,232	4,701
Program per Position (\$000)	382	390	508	648
Operating Expense as % of Program Funding				4.9%
Program Funded Admin Expense as % of Total Admin				47.9%
Total Admin Expense as % of Program Funding				11.9%

**Other Major Donors:**

Bilateral: France, the United States, Japan. Madagascar also has signed a five year, \$110 million development program with the Millennium Challenge Corporation.

Multilateral: The World Bank, United Nations, European Union.

## Madagascar PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2004 Actual	FY 2005 Actual	FY 2006 Current	FY 2007 Request
Child Survival and Health Programs Fund	10,365	13,315	11,526	11,479
Development Assistance	10,378	9,424	9,966	8,129
Global HIV/AIDS Initiative	0	300	0	0
Millennium Challenge Account	0	1,183	0	0
PL 480 Title II	12,477	10,528	14,063	18,000
<b>Total Program Funds</b>	<b>33,220</b>	<b>34,750</b>	<b>35,555</b>	<b>37,608</b>

STRATEGIC OBJECTIVE SUMMARY				
687-004 Governance in Targeted Areas Improved				
DA	1,647	1,900	1,875	400
687-005 Selected Health Services and Products				
CSH	10,365	13,315	11,526	11,479
GHAI	0	300	0	0
687-006 Biologically Diverse Forest Ecosystems Conserved				
DA	8,233	6,847	8,091	7,729
687-007 Critical Private Markets Expanded				
DA	498	677	0	0
687-008 Support to MCC				
MCA	0	1,183	0	0

Mission Director,  
Henderson Patrick

## **Madagascar**

### **The Development Challenge**

Stricken with widespread poverty, capacity deficits and corruption, Madagascar faces immense development challenges. The country has an average per capita income of only \$255, 70% of the population lives below the poverty line, and life expectancy hovers at 55 years. This legacy is a major challenge for government and donor partners working to transform the country. With an overall goal of increasing sustainable and inclusive economic development in Madagascar, USAID directly addresses these problems by strengthening the capacity of local non-governmental organizations and selected government institutions; promoting public-private dialogue and partnership; supporting the advancement of a national anti-corruption agenda; increasing access to quality health services and products; improving natural resource management; promoting private investment; and increasing rural incomes.

### **Other Major Donors**

**Bi-Lateral Donors:** France, the United States, Japan. Madagascar also has signed a five year, \$110 million development program with the Millennium Challenge Corporation.

**Multi-Lateral Donors:** The World Bank, United Nations, European Union.

## Data Sheet

<b>USAID Mission:</b>	Madagascar
<b>Program Title:</b>	Governance in Targeted Areas Improved
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	687-004
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$1,875,000 DA
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2007 Obligation:</b>	\$400,000 DA
<b>Year of Initial Obligation:</b>	2003
<b>Estimated Year of Final Obligation:</b>	2010

**Summary:** USAID's democracy and governance program is working to deepen and strengthen civil society, increase the flow of information to citizens and local leaders, and strengthen all levels of government's ability to respond to citizens' demands. USAID is also implementing initiatives in the areas of anti-corruption, women's legal rights, education, and information and communication technology development in Madagascar.

### Inputs, Outputs, Activities:

#### FY 2006 Program:

Expand and Improve Access to Economic and Social Infrastructure (\$983,000 DA). USAID continues its efforts under the Africa Education Initiative (AEI) to improve the quality of primary school education. Activities provide training and radio-based instructional programs to over 1,200 first grade teachers and provide small grants and training to 25 parent associations in three provinces to increase their involvement in local primary school management. The program also works with at least three school districts in developing a computerized system for assessing teachers' capacities for the development of localized training curricula. Principal contractors and grantees: Education Development Center (EDC).

Promote and Support Anti-Corruption Reforms (\$400,000 DA). Through the Agency's Anti-Corruption Initiative funding, USAID is strengthening the Government of Madagascar's anti-corruption agencies, playing the leading role in supporting anti-corruption civil society organizations, and working to increase citizens' knowledge about corruption. USAID is supporting the establishment of government regional anti-corruption offices to disseminate anti-corruption information in target intervention zones. As the lead donor providing technical expertise and funding in this area, USAID is helping to conduct a national anti-corruption survey, setting a baseline on corruption in Madagascar against which the government will be measured. In FY 2006, planned activities include the dissemination of baseline survey findings, provision of assistance for the creation of an anti-corruption observatory, and the identification of and advocacy efforts for reforms. USAID is continuing to support civil society in the fight against corruption through funding, organizational support and advocacy training to the anti-corruption coalition as well as Transparency International/Madagascar. While increasing citizen awareness about corruption, USAID is ensuring that citizens are aware of mechanisms that can help address corruption complaints at the national, regional, and local level. Principal contractors and grantees: PACT (prime) and Catholic Relief Services (sub).

Strengthen Civil Society (\$492,000 DA). USAID is continuing to build the advocacy capacity of five civil society organizations by improving their ability to analyze, articulate, and present their issues. USAID is also working with three civil society federations to build their organizational capacity and strengthen their ability to network with independent civil society and other actors. Over 300 individual civil society organizations are included in the national and regional platforms supported by USAID. Training and mentoring are being provided in organizational development to create a more sustainable Malagasy civil society. Assistance is also being provided to support the legitimacy of the civil society organizations national and regional platforms. Principal contractors and grantees: PACT (prime) and Catholic Relief Services (sub).

**FY 2007 Program:**

Promote and Support Anti-Corruption Reforms (\$400,000 DA). USAID will continue to support implementation of the national anti-corruption strategy by strengthening government capacity to disseminate anti-corruption information; increasing citizens' access to prosecution systems by training civil society organizations on public corruption awareness and complaint procedures; establishing regional anti-corruption offices; and working to ensure fair and just anti-corruption court decisions. Principal contractors and grantees: PACT (prime) and Catholic Relief Services (sub).

**Performance and Results:** In 2005, USAID continued assistance to the Government of Madagascar's new National Anti-Corruption Council to develop and launch a national work plan to guide their activities for the next calendar year. USAID has helped strengthen civil society through its technical assistance and financial support to a recently established anti-corruption coalition to build their capacity to mount advocacy and awareness campaigns on anti-corruption measures as well as in establishment of the civil society organization (CSO) national platform. The signing of this CSO charter by 300 independent CSOs indicated common vision as well as ensuring involvement of all CSOs in the country. USAID support for the Information and Communication Technology sector was pivotal in development of the national e-governance program and the establishment of regional information management units in seven strategic regions. Each regional unit was provided computer equipment, database and analytical software, and assigned one person to provide technical assistance and training. Under the Africa Education Initiative, USAID completed the program design and signed an agreement for implementation of a teacher training program using distance learning. The education program will further strengthen civil society through access to better education and the development of stronger, more active parent associations, therefore enabling the population to better advocate their needs to the government. USAID held a number of regional workshops on women's legal rights in target zones which better informed a number of women-led CSOs of the Malagasy Family Code and led them to develop an action plan on legislative reforms in the areas of human rights and women's rights. By the end of the program in FY 2010, civil society will be able to play a more effective role as an advocate for citizens' demands and act as a more effective government watchdog. Government anti-corruption agencies will be more capable of fighting corruption. Regional level anti-corruption mechanisms will be established and accessible to ordinary citizens in targeted regions.

## US Financing in Thousands of Dollars

Madagascar

687-004 Governance in Targeted Areas Improved	DA	ESF
<b>Through September 30, 2004</b>		
Obligations	3,332	250
Expenditures	820	0
Unliquidated	2,512	250
<b>Fiscal Year 2005</b>		
Obligations	1,898	0
Expenditures	1,626	16
<b>Through September 30, 2005</b>		
Obligations	5,230	250
Expenditures	2,446	16
Unliquidated	2,784	234
<b>Prior Year Unobligated Funds</b>		
Obligations	0	0
<b>Planned Fiscal Year 2006 NOA</b>		
Obligations	1,875	0
<b>Total Planned Fiscal Year 2006</b>		
Obligations	1,875	0
<b>Proposed Fiscal Year 2007 NOA</b>		
Obligations	400	0
Future Obligations	2,189	0
Est. Total Cost	9,694	250

## Data Sheet

<b>USAID Mission:</b>	Madagascar
<b>Program Title:</b>	Selected Health Services and Products
<b>Pillar:</b>	Global Health
<b>Strategic Objective:</b>	687-005
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$11,526,000 CSH
<b>Prior Year Unobligated:</b>	\$2,000,000 CSH
<b>Proposed FY 2007 Obligation:</b>	\$11,479,000 CSH
<b>Year of Initial Obligation:</b>	2003
<b>Estimated Year of Final Obligation:</b>	2010

**Summary:** USAID's health program addresses health problems by community mobilization, behavior change communications, and social marketing. This health program will: increase demand, quality, and availability of high-impact services and products for child, maternal, and adolescent health; provide access to family planning and reproductive health services; reduce HIV/AIDS, cholera, and diarrheal diseases; and promote malaria prevention and control.

### Inputs, Outputs, Activities:

#### FY 2006 Program:

Improve Access to Clean Water and Sanitation (\$530,000 CSH). USAID is helping develop the government's hygiene improvement strategy. USAID is expanding access to potable water with simple, affordable solutions, promoting good hygiene and sanitation practices, and improving local water management. Principal contractors and grantees: Chemonics, Population Service International (PSI) (primes), Hygiene Improvement Project, CARE, Catholic Relief Services (CRS), Medical Care Development International (MCDI) and Adventist Development Relief Agency (ADRA) (subs).

Improve Child Survival, Health and Nutrition (\$2,757,000 CSH). USAID is providing technical assistance in the integrated management of childhood illnesses to the Ministry of Health and Family Planning at the central and service delivery levels. To further reduce child mortality, USAID is focusing efforts on vaccination coverage, expansion of essential nutrition actions, and prevention, early detection and treatment of childhood diseases. USAID is supporting training for over 3,000 medical professionals, the development of the national child health and nutrition guidelines, and improvements in commodity management and national surveillance systems. USAID efforts are engaging local leaders, linking communities with health care providers, and mobilizing communities. Principal contractors and grantees: Chemonics and PSI (primes), Linkages, MCDI, CARE, CRS, and ADRA (subs).

Prevent and Control Infectious Diseases (\$2,169,000 CSH). USAID provides technical assistance to the Ministry of Health in implementing the national malaria policy and supports: social marketing operations to address malaria prevention and treatment; indoor residual spraying; expanded mass media and rural outreach education; home-based care of uncomplicated malaria; and improved access to effective malaria treatment and insecticide-treated bed nets for children and pregnant women. Principal contractors and grantees: Chemonics and PSI (primes), CARE, CRS, ADRA, and MCDI (subs).

Reduce Transmission and Impact of HIV/AIDS (\$1,977,000 CSH). USAID ensures that the Malagasy people have appropriate knowledge of and access to high-quality services for prevention and care of sexually transmitted infections including HIV/AIDS. USAID emphasizes prevention including targeting interventions to high risk populations; reducing the prevalence of sexually transmitted infections through healthy behavior; improving availability and quality of services and products to treat sexually transmitted infections; expanding behavior change communication; enhancing public/private partnerships; and improving surveillance and data collection and use. Principal contractors and grantees: Chemonics (prime), PSI, HIV Alliance, Family Health International, Centers for Disease Control (CDC), and ADRA (subs).



Support Family Planning (\$4,093,000 CSH; \$2,000,000 prior year CSH). USAID is increasing demand for and access to family planning services and products through social marketing, community-based distribution and community mobilization. USAID provides state of the art technical assistance, training, and software to strengthen the logistics and management system for reproductive health commodities. USAID is also improving the technical and management capacity of selected organizations in family planning and expanding the integrated health, population, and environment interventions in remote bio-diverse sites. Principal contractors and grantees: Chemonics and PSI (primes), CARE, ADRA, and MCDI (subs).

P.L. 480 Title II-funded activities are helping food insecure families maintain nutrition levels, increase food production and income, and improve maternal and child health.

**FY 2007 Program:**

Improve Access to Clean Water and Sanitation (\$530,000 CSH). USAID will provide leadership in behavior change, expand access to potable water, and continue improving health, hygiene, and sanitation interventions. Principal contractors and grantees: Same as FY 2006.

Improve Child Survival, Health and Nutrition (\$2,945,000 CSH). USAID will support integrated management of childhood illnesses, immunization, promotion of nutrition and Vitamin A distribution, improvements in the delivery of quality health services, and maternal health interventions. Principal contractors and grantees: Same as FY 2006.

Prevent and Control Infectious Diseases (\$2,500,000 CSH). USAID will continue commodity support, indoor residual spraying, community mobilization and education activities in malaria treatment and prevention to assure effective treatment and prevention for pregnant women and children. Principal contractors and grantees: Same as FY 2006.

Reduce Transmission and Impact of HIV/AIDS (\$1,980,000 CSH). USAID will continue to target innovative behavior change interventions, address access to products and services and continue to provide leadership in developing data for decision making. Principal contractors and grantees: Same as FY 2006.

Support Family Planning (\$3,524,000 CSH). USAID will continue activities to strengthen commodity distribution systems and community-based distribution, and will maintain community outreach and social marketing activities. P.L. 480 Title II-funded activities will continue to improve maternal and child health, nutrition and food security. Principal contractors and grantees: Same as FY 2006.

All family planning assistance agreements will incorporate clauses that implement the President's directive restoring the Mexico City Policy.

**Performance and Results:** Although some social marketing products fell short of targets due to production delays and funding issues, vaccination efforts in USAID intervention zones are yielding results, with 91% of children 12-23 months old completely vaccinated, compared to the national rate of 53%. About 3.5 million children aged between 6-59 months received Vitamin A, for a coverage rate of 97%. Survey results also showed improvements in family planning indicators, with 33% of mothers with infants practicing natural family planning, up from 9% in 1999, and 22% of women using modern contraceptives, as compared to the national contraceptive prevalence rate of 18%. During FY 2005, USAID sold 1,383,363 cycles of oral contraceptives and 544,401 doses of injectable contraceptives, an increase of over 11% and 21% respectively from last year's sales. The 2005 biologic sentinel surveillance shows a substantial decrease in syphilis among pregnant women from 10.6% in 1996 to 5.12% in 2005. By the end of the program in FY 2010, access to child and maternal health services will have been improved in targeted regions. There will be: a full range of support at the national and community levels for service delivery; improved government and non-governmental organization (NGO) capacity to plan, manage, and evaluate health activities to ensure product and service availability; public and private sector capacity to deliver high quality health services at both national and local levels; communities promoting their own health; and essential drugs and medical supplies more consistently available in targeted areas.

## US Financing in Thousands of Dollars

Madagascar

687-005 Selected Health Services and Products	CSH	ESF	GHAI
<b>Through September 30, 2004</b>			
Obligations	17,650	400	0
Expenditures	6,793	400	0
Unliquidated	10,857	0	0
<b>Fiscal Year 2005</b>			
Obligations	10,065	0	300
Expenditures	6,695	0	0
<b>Through September 30, 2005</b>			
Obligations	27,715	400	300
Expenditures	13,488	400	0
Unliquidated	14,227	0	300
<b>Prior Year Unobligated Funds</b>			
Obligations	2,000	0	0
<b>Planned Fiscal Year 2006 NOA</b>			
Obligations	11,526	0	0
<b>Total Planned Fiscal Year 2006</b>			
Obligations	13,526	0	0
<b>Proposed Fiscal Year 2007 NOA</b>			
Obligations	11,479	0	0
Future Obligations	19,183	0	0
Est. Total Cost	71,903	400	300

## Data Sheet

<b>USAID Mission:</b>	Madagascar
<b>Program Title:</b>	Biologically Diverse Forest Ecosystems Conserved
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	687-006
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$8,091,000 DA
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2007 Obligation:</b>	\$7,729,000 DA
<b>Year of Initial Obligation:</b>	2003
<b>Estimated Year of Final Obligation:</b>	2010

**Summary:** Madagascar has consistently been identified by the international community as one of the highest biodiversity conservation priorities in the world. USAID's program to conserve biologically diverse forest ecosystems includes training, technical assistance, and grants to local organizations. It is concentrated at the national level and in three priority eco-regions around the country. Core activities are designed to improve forest and protected area management; maintain the biological integrity of critical biodiversity habitats; promote alternatives to the practice of slash-and-burn agriculture; support development of eco-enterprises; and improve environmental governance.

### **Inputs, Outputs, Activities:**

#### **FY 2006 Program:**

Improve Sustainable Management of Natural Resources and Biodiversity (\$4,091,000 DA). USAID is working toward improved protected area management by continuing to fund activities to implement President Ravalomanana's pledge to triple the country's protected area network. This process includes creating new protected areas and developing and improving protected area management systems. USAID continues to provide support to this process by ensuring a legal framework for new protected areas is established by strengthening the institutional, technical and financial capacity of protected area managers; implementing the Malagasy environmental trust funds; and developing new mechanisms for sustainable financing of protected areas. These efforts will result in an additional 1,000,000 hectares of new protected areas in FY 2006. In addition, USAID is supporting forest management reform through the creation and implementation of a plan to manage production forests for wood supply, and the design and implementation of a new forest control system in accordance with the recommendations provided by the U.S. Department of Agriculture's Forest Service. USAID also is continuing to support efforts to finalize forest zoning at the national and regional levels. Principal contractors and grantees: Conservation International and International Resources Group (primes), World Wildlife Fund (WWF) and Wildlife Conservation Society (subs).

Protect and Increase the Assets and Livelihoods of the Poor (\$3,500,000 DA). USAID links forest conservation and improved livelihoods by: improving agricultural production through a farming systems approach; promoting community based natural resources management; and ensuring farmer-to-market linkages. Outside protected areas, USAID is promoting alternatives to slash-and-burn agriculture by training farmer-to-farmer extension agents in natural resource management and agricultural development, with an emphasis on the adoption of small-scale, integrated farming systems. USAID is also continuing to reinforce the pioneering "Green Commune" approach, which certifies communities who cease burning and engage in reforestation efforts. USAID continues to support farmers to become good stewards of the environment and to produce agricultural products for market to increase their incomes. USAID is also strengthening farmers' ability to organize and sign contracts with the government to manage community forests. In addition, USAID is helping link farmers to the private sector to increase farmers' ability to sell natural products and extract benefit from the sustainable management of natural resources. A market-based strategy to strengthen ecologically and economically sustainable forest and natural product enterprises through technical and financial assistance to 20 eco-enterprises and small businesses is being coupled with assistance to increase and improve ecotourism. Principal contractors and grantees: Chemonics, Development Alternatives Inc. and Wildlife Conservation Society (primes).

Support Democratic Local Government and Decentralization (\$500,000 DA). USAID's joint environmental and governance activities help government units increase access to information about natural resource management and ensure that a vibrant civil society exists to advocate for environmental issues. USAID is working to ensure that regional and communal development plans are implemented, and that rural radio networks are independent and sustainable. In addition, improvements to forest-sector governance continue to be made through a transparent permit bidding system and improvements to information systems. Finally, USAID is working with the Government of Madagascar's (GOM) National Office of the Environment to ensure environmental impact assessments are submitted and reviewed, and that on-going investments are monitored regarding mitigation of environmental impacts. Principal contractors and grantees: PACT, International Resources Group (primes), Catholic Relief Services, and GOM's National Office of the Environment (subs).

**FY 2007 Program:**

Improve Sustainable Management of Natural Resources and Biodiversity (\$3,929,000 DA). Efforts will be pursued to triple protected areas with the formal establishment of an additional one million hectares. New models for protecting critical biodiversity outside of the national park system and that involve local communities and private sector operators will be put into place, and additional funding mechanisms will be explored for protected area management. Support will be reinforced for a revitalized forest authority and forest management systems. Forest industry activities will also be increased to promote reforestation and ecological restoration zones. Principal contractors and grantees: Same as FY 2006.

Protect and Increase the Assets and Livelihoods of the Poor (\$3,300,000 DA). To better conserve biodiversity, USAID will expand its work with farmer organizations to promote business relations between producer associations and eco-enterprises to access domestic and international markets for agricultural and natural products. The partnership agreement between managers of protected areas and private sector operators will be expanded to enhance ecotourism products and services. USAID will continue to support communities that reduce destructive farming methods, and will increase the number of communities assisted. Principal contractors and grantees: Same as FY 2006.

Support Democratic Local Government and Decentralization (\$500,000 DA). USAID plans to continue its crosscutting environmental governance program by helping the government, civil society organizations (CSOs), and the private sector gain access to information to promote better environmental decision making, and bring communication access to towns bordering the country's remaining primary forest. USAID also plans to continue providing assistance to CSOs to improve their ability to serve as environmental advocates. Finally, USAID will continue to support the forest service in its efforts to improve governance. Principal contractors and grantees: Same as FY 2006.

**Performance and Results:** USAID's environmental activities contributed to a number of important results in FY 2005: a total of 33% of Madagascar's forests are now under a comprehensive forest zoning plan; significant progress was made in fulfilling President Ravalomanana's commitment to triple the protected area network - 1,147,846 hectares of new protected areas have been created; over 45,000 households have adopted at least two improved agricultural techniques (for litchi, rice, maize, and bean cultivation), with an average increase in income of 55%; 12 communes have committed to ban or reduce slash-and-burn agricultural practices and have promoted sustainable management of natural resources; over \$1.5 million in contracts for natural products have been signed between producer associations and buyers; and a total of six CSOs have mounted effective advocacy campaigns for environmental issues. By the end of the program in FY 2010, slash and burn agriculture in targeted areas will have been reduced, total forest area under conservation in Madagascar will have been increased, and national forest management practices and environmental governance will have been improved.

## US Financing in Thousands of Dollars

Madagascar

687-006 Biologically Diverse Forest Ecosystems Conserved	DA	ESF
<b>Through September 30, 2004</b>		
Obligations	14,229	250
Expenditures	3,454	9
Unliquidated	10,775	241
<b>Fiscal Year 2005</b>		
Obligations	6,847	0
Expenditures	8,377	104
<b>Through September 30, 2005</b>		
Obligations	21,076	250
Expenditures	11,831	113
Unliquidated	9,245	137
<b>Prior Year Unobligated Funds</b>		
Obligations	0	0
<b>Planned Fiscal Year 2006 NOA</b>		
Obligations	8,091	0
<b>Total Planned Fiscal Year 2006</b>		
Obligations	8,091	0
<b>Proposed Fiscal Year 2007 NOA</b>		
Obligations	7,729	0
Future Obligations	24,867	0
Est. Total Cost	61,763	250