

## Madagascar

**The Development Challenge:** Madagascar is emerging from a prolonged political dispute over the outcome of a December 2001 presidential election. This political crisis devastated the economy, which contracted by 12% in 2002, further strained one of the world's top three "biodiversity hotspots," and disrupted an already weak health care system. Even before the crisis, 70% of Madagascar's population lived below the poverty line. Illiteracy is widespread at 46% of the population, infant, child and maternal mortality rates are unacceptably high, and life expectancy is low at only 58 years, all resulting mainly from the combined effects of low economic growth and a high average annual population growth rate of 2.8%. A recent USAID survey indicated that the political crisis further worsened people's well being. In addition, during the eight-month crisis, illegal exporting of endangered species occurred. Such actions threaten long-term prospects for sustainable development in Madagascar, given the uniqueness of Madagascar's flora and fauna.

With the political crisis resolved, Madagascar's prospects are now brighter than they have been for some time. Madagascar's new president favors reform, free-markets, and an open society and is committed to better governance and reducing the pervasive corruption that has plagued Madagascar since its independence. While the economy has suffered in the short-term, it continues to have considerable, untapped potential.

The top three U.S. foreign policy objectives with respect to Madagascar are broad-based economic development, environmental protection and promotion of democracy. These objectives coincide completely with USAID's current and proposed new development assistance strategies, discussed below.

**The USAID Program:** The overall goal of the USAID program in Madagascar is sustainable and inclusive economic development. A new strategy is pending approval. Once the new strategy is approved, USAID will notify separately for the use of FY 2003 and FY 2004 funds proposed for obligation under the new objectives.

Under the new strategy, a new democracy and governance program will address the weakness of Madagascar's democratic institutions, compounded by poor governance. It will build a deeper and stronger civil society, increase information flows, and increase government responsiveness to its citizens. A new health, population and nutrition program will address the prevention and management of sexually transmitted infections and HIV/AIDS; strengthen public health systems; and expand private health services to continue to improve child, maternal, and reproductive health and nutrition. A new environment and rural development program follows on the successes of the predecessor program, which will receive its final year of funding in FY 2003. This new program will work to conserve Madagascar's biologically diverse forest ecosystems, in part by linking natural resource management closely with economic development, i.e., helping people find livelihoods that do not increase deforestation for logging and/or farming and that support conservation of biodiversity. The new agricultural and trade program will concentrate on accelerating economic growth through market development and trade.

**Other Program Elements:** USAID centrally funded education activities support increased Internet access in Madagascar. In addition, central health funds will continue to contribute to joint environment-health programs. The new agriculture and trade program will also receive support from centrally and regionally funded activities. Finally, P.L. 480 food assistance will continue to support child survival and nutrition education.

**Other Donors:** In rank order, the World Bank, France, the European Union (EU), the United States and Japan are the key donors. The World Bank has identified governance as its central theme. The World Bank, International Monetary Fund, and EU provide budget support linked to improved public financial transparency and accountability. The World Bank also leads efforts to clean up trade in gems. The United Nations Development Program (UNDP), EU, Japan, Germany, and Switzerland partner in electoral support. The World Bank, United Nations specialized agencies, and France are active partners in the health sector, particularly in maternal and child health. The World Bank is becoming the lead donor in

fighting HIV/AIDS, while UNFPA is major partner in family planning, and Japan collaborates with USAID in certain areas, including behavioral change activities. The World Bank, EU, UNDP, France, Germany and Switzerland are, with the United States, active members of a multi-donor group on environment, rural development and food security. The World Bank is the most active supporter of emergency economic recovery, while the World Bank and EU lead in infrastructure development, and the World Bank aids privatization efforts. The World Bank and France support the financial system, especially mutual credit institutions. Agricultural development is a priority of the World Bank, EU, France, and International Fund for Agricultural Development. The World Bank also leads in the education sector. Finally, UNDP is a major partner in disaster preparedness. The EU and African Development Bank are supporting the emergency response to the 2002 locust threat. The World Food Program is the major partner in protecting food security.

## Madagascar PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Child Survival and Health Programs Fund	4,185	8,725	8,493	8,915
Development Assistance	15,183	10,540	9,785	10,945
Economic Support Fund	0	2,000	0	0
PL 480 Title II	5,171	8,503	10,732	12,590
<b>Total Program Funds</b>	<b>24,539</b>	<b>29,768</b>	<b>29,010</b>	<b>32,450</b>

STRATEGIC OBJECTIVE SUMMARY				
687-001 Democracy and Governance				
DA	1,763	2,090	0	0
687-002 Smaller, Healthier Families				
CSH	4,185	8,725	0	0
DA	4,237	0	0	0
687-003 Biodiversity Conservation and Sustainable Dev't				
DA	9,183	8,450	2,000	0
ESF	0	2,000	0	0
687-VVV Democracy and Governance				
DA	0	0	785	914
687-XXX AIDS, Family Health and Food Security				
CSH	0	0	8,493	8,915
687-YYY Biodiversity Conservation and Sustainable Developm				
DA	0	0	6,000	8,656
687-ZZZ Agriculture, Trade and Economic Growth				
DA	0	0	1,000	1,375

**Data Sheet**

**687-001: No Summary and/or Pillar information entered for this SO.**

## US Financing in Thousands of Dollars

Madagascar

687-001 Democracy and Governance	DA	DFA	ESF
<b>Through September 30, 2001</b>			
Obligations	9,970	7,982	400
Expenditures	6,093	7,002	278
Unliquidated	3,877	980	122
<b>Fiscal Year 2002</b>			
Obligations	2,090	0	0
Expenditures	1,945	217	111
<b>Through September 30, 2002</b>			
Obligations	12,060	7,982	400
Expenditures	8,038	7,219	389
Unliquidated	4,022	763	11
<b>Prior Year Unobligated Funds</b>			
Obligations	0	0	300
<b>Planned Fiscal Year 2003 NOA</b>			
Obligations	0	0	0
<b>Total Planned Fiscal Year 2003</b>			
Obligations	0	0	300
<b>Proposed Fiscal Year 2004 NOA</b>			
Obligations	0	0	0
Future Obligations	0	0	0
Est. Total Cost	12,060	7,982	700

**Data Sheet**

**687-002: No Summary and/or Pillar information entered for this SO.**

## US Financing in Thousands of Dollars

Madagascar

687-002 Smaller, Healthier Families	CSH	DA	DFA
<b>Through September 30, 2001</b>			
Obligations	11,725	17,437	26,750
Expenditures	7,217	13,284	26,730
Unliquidated	4,508	4,153	20
<b>Fiscal Year 2002</b>			
Obligations	6,325	0	0
Expenditures	2,644	3,276	0
<b>Through September 30, 2002</b>			
Obligations	18,050	17,437	26,750
Expenditures	9,861	16,560	26,730
Unliquidated	8,189	877	20
<b>Prior Year Unobligated Funds</b>			
Obligations	0	0	0
<b>Planned Fiscal Year 2003 NOA</b>			
Obligations	0	0	0
<b>Total Planned Fiscal Year 2003</b>			
Obligations	0	0	0
<b>Proposed Fiscal Year 2004 NOA</b>			
Obligations	0	0	0
Future Obligations	0	0	0
Est. Total Cost	18,050	17,437	26,750

## Data Sheet

<b>USAID Mission:</b>	Madagascar
<b>Program Title:</b>	Biodiversity Conservation and Sustainable Dev't
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	687-003
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$2,000,000 DA
<b>Prior Year Unobligated:</b>	\$1,895,000 ESF
<b>Proposed FY 2004 Obligation:</b>	\$0
<b>Year of Initial Obligation:</b>	FY1998
<b>Estimated Completion Date:</b>	FY2004

**Summary:** USAID seeks to conserve Madagascar's biologically diverse forest ecosystems through a combined regional conservation and development approach. This approach conserves critical biodiversity habitats by linking sustainable natural resource management with environmentally sensitive agricultural and other livelihood practices, thereby simultaneously improving people's income potential and saving endangered forest areas. USAID focuses on a few very specific ecological regions in environmentally critical forest areas.

### Inputs, Outputs, Activities:

#### FY 2003 Program:

FY 2003 will be the final year of funding for this objective. Actions taken in FY 2003 will close out the existing strategy and allow for a smooth transition into implementation of the new strategic objective. Specific activities for FY 2003 funding under this objective include:

Management of critical biodiversity habitats (\$500,000 DA). Final funding will be provided for technical assistance, training, and commodities to forestry management in Madagascar. Specifically, USAID will fund development of a zoning plan for all the forests in Madagascar, which will serve as a management tool and a means for public dialogue regarding Madagascar's forests. Funds will also help develop an information management system for forest management. Principal grantees: PACT (prime), World Wide Fund for Nature (sub) and Conservation International.

Sustainable use of natural resources (\$1,500,000 DA). Outside target areas, USAID will continue to support reductions in slash-and-burn farming through community-centered, sustainable land use management. The approach will address socio-economic factors that place pressure on highly valued forest corridors in priority ecoregions. With technical assistance, training, and commodities, farmers and local communities will learn how to combine community forest management with improved agricultural productivity, for example, by collectively agreeing on which community lands to protect and which to devote to specific crops. Principal contractors: Chemonics (prime) and Cornell University (sub).

Infrastructure rehabilitation. Using already obligated prior year ESF, USAID will support the rehabilitation and/or reconstruction of several key bridges linking the highlands to the coast in an effort to avoid additional erosion and ensure that important transportation and communication links are maintained and improved.

#### FY 2004 Program:

No new funds will be used for this objective in FY 2004. A new biodiversity objective will begin in FY 2003 with implementation accelerating in FY 2004, as the expiring objective is phased out.

**Performance and Results:** USAID developed tools and approaches for sustainable environment management. An internationally respected national park system now protects 8% of Madagascar's territory, with 40 out of 48 critical habitats represented in that park system. In 2002, 23,630 hectares of



natural forest were transferred to 28 community management associations and there is high demand for transfer of more forest lands to community management.

USAID also helped 648 farmer associations, representing approximately 16,000 farmers, to stop destructive slash-and-burn farming around critical biodiversity habitats. USAID continued to link farmer associations and environmental enterprises, which has improved markets and profitability for 3,095 rural farmers producing potatoes, honey, ginger, oranges, and cinnamon. USAID began work with 17 new environmental enterprises (for a total of 89 enterprises over the life of this objective), creating over 2,100 new jobs and promoting sustainable production and use of natural products. Finally, USAID assisted a local producer association to develop a label for Malagasy "natural products" to be recognized internationally and to ease international market access.

As a result of implementation of this objective over the past five years, Madagascar's most biologically diverse forest ecosystems will be better conserved. This is immensely important to the international community, as Madagascar has been identified as one of the world's top three "biodiversity hotspots." It is also important for Madagascar's long-term sustainable development and for the well being of its rural poor.

## US Financing in Thousands of Dollars

Madagascar

687-003 Biodiversity Conservation and Sustainable Dev't	DA	DFA	ESF
<b>Through September 30, 2001</b>			
Obligations	49,058	64,742	0
Expenditures	39,474	64,742	0
Unliquidated	9,584	0	0
<b>Fiscal Year 2002</b>			
Obligations	8,439	0	0
Expenditures	8,796	0	0
<b>Through September 30, 2002</b>			
Obligations	57,497	64,742	0
Expenditures	48,270	64,742	0
Unliquidated	9,227	0	0
<b>Prior Year Unobligated Funds</b>			
Obligations	0	0	1,895
<b>Planned Fiscal Year 2003 NOA</b>			
Obligations	2,000	0	0
<b>Total Planned Fiscal Year 2003</b>			
Obligations	2,000	0	1,895
<b>Proposed Fiscal Year 2004 NOA</b>			
Obligations	0	0	0
Future Obligations	0	0	0
Est. Total Cost	59,497	64,742	1,895

## Data Sheet

<b>USAID Mission:</b>	Madagascar
<b>Program Title:</b>	Democracy and Governance
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	687-VVV
<b>Status:</b>	New
<b>Proposed FY 2003 Obligation:</b>	\$785,000 DA
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2004 Obligation:</b>	\$914,000 DA
<b>Year of Initial Obligation:</b>	FY 2003
<b>Estimated Completion Date:</b>	FY 2008

**Summary:** USAID's new democracy and governance program will improve Madagascar's governance by working to deepen and strengthen civil society, increase the flow of information to citizens and local leaders, and strengthen government's ability to respond to citizens' needs. A major effort will be made to help civil society organizations move beyond the nation's capital to provincial, regional and rural areas; improve their advocacy skills; and strengthen their internal management. Independent media, such as local radio, television, and newspapers, will be strengthened, and citizen and media access to information and communication technologies will be increased. Select government units will be made more transparent, accountable, and responsive to citizens, and particular attention will be paid to encouraging decentralization as it unfolds in Madagascar.

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

#### **FY 2003 Program:**

This will be a new objective in FY 2003, to be notified upon final USAID approval of a new strategic plan for Madagascar. Initial obligations and procurement actions will be taken in FY 2003 in order to set the stage for full implementation of the new strategy.

Deepen and strengthen civil society (\$285,000 DA). USAID plans to provide training and support to teach civil society organizations how to advocate effectively; provide technical assistance to national federations and associations to improve the skills of their provincial-based, rural partners; and provide training and mentoring in financing and managing to create more sustainable civil society organizations. Principal contractors/grantees will be identified in late FY 2003.

Increase flow of information (\$250,000 DA). USAID will provide technical assistance to the government to improve its regulatory framework for information and communication technologies; increase the reach of these technologies into rural areas for citizens, civil society, and government; and provide financial, organizational, management, and journalism training to improve the skills of independent print and broadcast media outlets in targeted areas. Principal contractors/grantees will be identified in late FY 2003.

Increase government responsiveness (\$250,000 DA). USAID will support pilot electronic-government programs that provide information on programs and budgets as a means of increasing transparency and accountability of local government. In addition, USAID will support mechanisms (town hall meetings, public hearings, etc.) that increase communication linkages between civil society and government reformers. Principal contractors/grantees will be identified in late FY 2003.

#### **FY 2004 Program:**

Deepen and strengthen civil society (\$314,000 DA). USAID plans to continue to strengthen the capacity of civil society organizations to advocate effectively by improving their ability to analyze and articulate their issues. USAID will also work with national associations to help them teach and assist their provincial and rural partners in analyzing and articulating important issues. Finally, training and mentoring will be

provided in budgeting, planning and managing to create more sustainable civil society organizations. Contractors/grantees to be identified.

Increase flow of information (\$300,000 DA). USAID plans to: continue to improve the regulations covering competition standards for information and communication technologies; increase the reach of these technologies into rural areas via non-governmental organizations; and provide training in planning, budgeting and management to independent print and broadcast media outlets in targeted areas. Contractors/grantees to be identified.

Increase government responsiveness (\$300,000 DA). USAID plans to continue encouraging local government transparency and accountability by publishing information on government programs, by increasing local governments' access to information, and supporting increased communication between civil society and government reformers. Contractors/grantees to be identified.

**Performance and Results:** While this is a new program that begins in FY 2003, it benefits from the experience and lessons learned from USAID's prior democracy and governance-related objective which will be completed by March 2004.

In FY 2002, USAID facilitated the formation of a consortium of non-governmental organizations and church groups for monitoring the December 2001 presidential elections. This consortium's demands for an "open and transparent" vote count were a rallying cry that helped galvanize the political opposition and civil society, ultimately contributing to a change in leadership. Work on good governance continued, with the USAID-funded local chapter of Transparency International releasing Madagascar's first-ever, national report on corruption. Collaboration with Malagasy civil society also continued to produce results: USAID-supported non-governmental organizations joined forces with local communities and government ministries to pioneer a new style of forest management based on good governance principles and local ownership. Eighteen municipalities along the USAID-assisted southern rail line have developed a cooperation pact and are coordinating local taxation and delivery of public services. In addition, 100 civic education instructors from the Ministry of Basic Education, local civil society organizations, and media associations in one provincial region have been given training for instructors with the collaboration of two US NGOs: Internews and the Center for Civic Education; once final adjustments are made, this new civic education program will be taken nationwide.

Over the five year implementation of this objective, more citizens will show confidence in their government, there will be more cooperation between government and civil society, and progress will be measurable in reducing corruption.

## US Financing in Thousands of Dollars

Madagascar

687-VVV Democracy and Governance	DA
<b>Through September 30, 2001</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Fiscal Year 2002</b>	
Obligations	0
Expenditures	0
<b>Through September 30, 2002</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Prior Year Unobligated Funds</b>	
Obligations	0
<b>Planned Fiscal Year 2003 NOA</b>	
Obligations	785
<b>Total Planned Fiscal Year 2003</b>	
Obligations	785
<b>Proposed Fiscal Year 2004 NOA</b>	
Obligations	914
Future Obligations	0
Est. Total Cost	1,699

## Data Sheet

<b>USAID Mission:</b>	Madagascar
<b>Program Title:</b>	AIDS, Family Health and Food Security
<b>Pillar:</b>	Global Health
<b>Strategic Objective:</b>	687-XXX
<b>Status:</b>	New
<b>Proposed FY 2003 Obligation:</b>	\$8,493,000 CSH
<b>Prior Year Unobligated:</b>	\$400,000 ESF
<b>Proposed FY 2004 Obligation:</b>	\$8,915,000 CSH
<b>Year of Initial Obligation:</b>	FY 2003
<b>Estimated Completion Date:</b>	FY 2008

**Summary:** The new health, population and nutrition objective will seek to increase use of selected health services and products and improve health practices. This new program will build on successes achieved under the preceding objective and will focus on increasing demand for as well as availability and quality of health services in Madagascar.

### Inputs, Outputs, Activities:

#### FY 2003 Program:

This will be a new objective in FY 2003, to be notified upon final USAID approval of a new strategic plan for Madagascar. Initial obligations and procurement actions will be taken in FY 2003 to set the stage for full implementation of the new strategy.

Increase demand for health services and products (\$1,858,000 CSH). USAID will provide technical assistance and training to increase knowledge of healthy behaviors, improve support for modern health care, and promote a desire to seek and use health services and products. Initial activities will include health education in schools and communication campaigns using mass media, movies, and other channels. Contractors/grantees will be identified in late FY 2003.

Increase availability of health services and products (\$2,633,000 CSH). Technical assistance, training, and commodities will increase the availability of select health services and products such as condoms, contraceptives, vaccines, essential drugs, bed-nets, safe water, and nutrient-dense foods. USAID will support improvements in commodity management, promote local production, support a national social marketing program, and pre-position essential commodities in disaster-prone areas. Contractors/grantees will be identified in late FY 2003.

Improve quality of health services (\$ 2,299,000 CSH). Technical assistance, training and other support will improve Madagascar's health services. USAID will support training to medical, public health and nursing schools to incorporate the latest standards and guidelines; promote national nutrition standards; expand implementation of guidelines for the treatment of sexually transmitted infections; and conduct research on the most effective means of diagnosing and treating such diseases as malaria, sexually transmitted infections and HIV/AIDS under local conditions. Contractors/grantees will be identified in late FY 2003.

Improve capacity to implement and evaluate health programs (\$1,703,000 CSH). USAID will provide grants to non-governmental organizations to carry out key health, population, environment, HIV/AIDS, maternal and child health care services. USAID will encourage partnerships between Madagascar and American medical, public health and nursing schools; partnerships with the National Medical Association and private practitioners; and disease surveillance systems and the Demographic and Health Survey. Contractors/grantees will be identified in late FY 2003.

HIV/AIDS. Using prior year ESF funding, the collection and analysis of epidemiological and behavioral data collection will be strengthened and analysis conducted for improved decision making and development of a new HIV/AIDS national strategy. Funding will also be used to improve the quality of STI management and to improve health seeking behavior through a network of youth friendly NGO and private sector clinics. Funding would be used to replicate a successful STI program in two high transmission sites. These sites are port cities that have high mobility of populations and are near to mining areas.

In addition to these activities, P.L. 480 food assistance will complement and support child survival programs and nutrition education and monetization of P.L. 480 food aid will support child survival work with farmers' groups to improve farming methods and crop yields.

**FY 2004 Program:**

Increased demand for health services and products (\$2,140,000 CSH). USAID plans to continue health education in schools as well as communication campaigns to increase demand for health services and products. Contractors/grantees to be identified.

Increased supply of health services and products (\$2,318,000 CSH). USAID plans to continue activities that increase the availability of health care services and products, including commodity management, management training, local production (e.g., of treated bednets or other health-related products), social marketing of health care and family planning products, and pre-positioning of health commodities in disaster prone areas. Contractors/grantees to be identified.

Improved quality of health services (\$2,140,000 CSH). USAID plans to continue quality health service improvement, for example, in ensuring effective diagnosis and treatment of sexually transmitted infections, in providing relevant information on improved nutrition, and in ensuring health care providers understand and use modern techniques in the management of childhood illnesses, infectious disease control, and family planning. Contractors/grantees to be identified.

Improve capacity to implement and evaluate health programs (\$2,317,000 CSH). USAID plans to continue to provide technical assistance and grants to public, non-governmental and private sector organizations to improve planning, budgeting, implementing and monitoring skills. Contractors/grantees to be identified.

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

**Performance and Results:** The prolonged political crisis produced road blockades, sabotaged infrastructure and severe fuel shortages that constrained the movement of health products, essential goods, and food aid throughout much of FY 2002. Nonetheless, in USAID focus districts, diphtheria, pertussis, and tetanus (DPT3) immunization rates were maintained at 93% (compared to 94% in 2001; contraceptive prevalence remained at a level of 23% in Antananarivo Province, though it declined in Fianarantsoa Province, from 14% in 2001 to 11% in 2002; exclusive breastfeeding of infants up to 6 months increased from 46% in 2000 to 75% in 2002; and social marketing indicators (for example, sales of contraceptives and insecticide-treated bednets) demonstrated positive results. These results are a testament to the strength of community mobilization, commitment of local authorities, and robust private sector networks. Many partners provided critical support, allowing the Malagasy to respond more effectively to the crisis. On-going programs at the local level continued to promote community problem solving around emerging health issues. Equally important, NGO partnerships were expanded to play a greater role in providing relief assistance.

Over the life of this new objective, selected health services, commodities and practices will continue to improve in Madagascar. Contraceptive prevalence rates, DPT3 coverage, exclusive breastfeeding, condom use, use of treated bednets for malaria, and treatment for sexually transmitted diseases will all improve. Vitamin A deficiency in women and children will decline. This improved health performance will

help to reduce the unacceptably high rates of infant, child, and maternal mortality in Madagascar and improve life expectancy.



## US Financing in Thousands of Dollars

Madagascar

	CSH	ESF
687-XXX AIDS, Family Health and Food Security		
<b>Through September 30, 2001</b>		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
<b>Fiscal Year 2002</b>		
Obligations	0	0
Expenditures	0	0
<b>Through September 30, 2002</b>		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
<b>Prior Year Unobligated Funds</b>		
Obligations	0	400
<b>Planned Fiscal Year 2003 NOA</b>		
Obligations	8,493	0
<b>Total Planned Fiscal Year 2003</b>		
Obligations	8,493	400
<b>Proposed Fiscal Year 2004 NOA</b>		
Obligations	8,915	0
Future Obligations	0	0
Est. Total Cost	17,408	400

## Data Sheet

<b>USAID Mission:</b>	Madagascar
<b>Program Title:</b>	Biodiversity Conservation and Sustainable Developm
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	687-YYY
<b>Status:</b>	New
<b>Proposed FY 2003 Obligation:</b>	\$6,000,000 DA
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2004 Obligation:</b>	\$8,656,000 DA
<b>Year of Initial Obligation:</b>	FY 2003
<b>Estimated Completion Date:</b>	FY 2008

**Summary:** This new biodiversity conservation program, building on the soon-to-be completed and very successful Strategic Objective 687-003, will seek to conserve Madagascar's biologically diverse forest ecosystems through ecoregional conservation and development. This approach links sustainable natural resource management with environmentally sensitive development, thereby allowing people to earn a livelihood from land surrounding national parks while simultaneously appreciating and preserving the natural wealth of these areas. USAID will focus on selected ecological regions, as well as on critical forest areas, working with the government, private sector, non-governmental organizations and local communities to improve management of biodiversity habitats, reduce human pressures on biodiversity, and create incentives for local conservation.

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

#### **FY 2003 Program:**

This will be a new objective in FY 2003, to be notified upon USAID's final approval of a new strategic plan for Madagascar. Initial obligations and procurement actions will be taken in FY 2003 to set the stage for full implementation of the new strategy.

Improving forest management (\$1,500,000 DA). USAID will help establish an effective system and structure for forestry management through technical assistance and training in forest management, as well as some commodities, e.g., computers to assist in monitoring forest conditions. This assistance will ensure that the organization of Madagascar's forestry service is strengthened and that a long-term vision is established for forestry management in Madagascar. USAID will support an analysis of the organization of the forestry service as well as the development and implementation of a zoning plan for all the forests in Madagascar. Contractors/grantees will be identified in late FY 2003.

Biodiversity conservation (\$1,000,000 DA). Protection of critical biodiversity will be expanded. Specifically, additional protected areas will be established, conservation management plans for all parks not currently included in an existing plan will be developed, and capacity building of field staff will take place with technical assistance, training, and equipment. The program will pilot innovative mechanisms to ensure that critical biodiversity is protected and all ecosystems are under some form of conservation. Contractors/grantees will be identified in late FY 2003.

Reducing destructive land use practices (\$2,500,000 DA). Outside core areas, USAID will help reduce slash-and-burn farming through community-centered sustainable land use management. The approach will address socio-economic factors that increase human pressure on highly valued forest corridors in priority ecoregions. Through technical assistance, training, and commodities, farmers and local communities will be able to better manage community forests with improved agricultural productivity. Contractors/grantees will be identified in late FY 2003.

Improving good stewardship of natural resources (\$1,000,000 DA). USAID will promote the involvement of civil society in increasing and improving the management and oversight of natural resources.

Specifically, organizations will be taught how to advocate effectively with local communities as well as government on the importance of natural resource management. Organizations will also learn to establish mechanisms for dialogue with the government to identify and implement appropriate conservation policies. In addition, USAID will help strengthen local government to improve natural resources stewardship. Contractors/grantees will be identified in late FY 2003.

**FY 2004 Program:**

Improving forest management (\$1,656,000 DA). Continued funding will ensure further organizational improvements in forest management authority and systems. Contractors/grantees to be identified.

Biodiversity conservation (\$1,500,000 DA). USAID will continue to expand protected areas, as well as further piloting of new models for protecting critical biodiversity outside of the national park system. Contractors/grantees to be identified.

Reducing destructive land use practices (\$3,500,000 DA). USAID will continue support to communities reducing such destructive farming methods as slash-and-burn, and will increase the number of communities supported. Contractors/grantees to be identified.

Improving private sector involvement in natural resource management (\$1,000,000 DA). USAID will encourage private sector marketing studies, feasibility studies, and other activities that demonstrate economic gains that can be derived with good conservation. Support will be provided to businesses that develop such natural products as spices, essential oils and plant-based crafts (e.g., baskets) for domestic and international markets. This will consist of promoting the sustainable collection, production and processing of both indigenous and introduced natural plant products. Contractors/grantees to be identified.

Improving stewardship of natural resources (\$1,000,000 DA). USAID plans to continue to encourage civil society participation in ensuring good natural resource management as begun in FY 2003. Contractors/grantees to be identified.

In addition, P.L. 480 food assistance will support reforestation, soil conservation, and road rehabilitation. Monetization will support increased rice production, diversification of agricultural crops and rural income-generating activities through non-governmental organizations and farmer groups.

**Performance and Results:** This new program will build on and continue USAID's decade-long experience with biodiversity conservation in Madagascar, with a focus on management of forest ecosystems. Under the predecessor objective in biodiversity now nearing completion, USAID developed tools and approaches for sustainable environment management. An internationally respected national park system now protects 8% of Madagascar's territory, with 40 out of 48 critical habitats represented in that park system. In 2002, 23,630 hectares of natural forest were transferred to 28 community management associations, and there is an overwhelming demand for more transfers of forestlands to communities for management. USAID helped 648 farmer associations, representing approximately 16,000 farmers, to stop destructive slash-and-burn farming around critical biodiversity habitats. Nine projects had formal environmental impact assessments, indicating increased public capacity to review and greater private commitment to the environment.

Over the life of this new objective, Madagascar's most biologically diverse forest ecosystems will be better conserved. This is of significance to the international community as Madagascar has been identified as one of the world's top three "biodiversity hotspots." It is also important for Madagascar's long-term sustainable development and for the well being for its rural poor.

## US Financing in Thousands of Dollars

Madagascar

687-YYY Biodiversity Conservation and Sustainable Developm	DA
<b>Through September 30, 2001</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Fiscal Year 2002</b>	
Obligations	0
Expenditures	0
<b>Through September 30, 2002</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Prior Year Unobligated Funds</b>	
Obligations	0
<b>Planned Fiscal Year 2003 NOA</b>	
Obligations	6,000
<b>Total Planned Fiscal Year 2003</b>	
Obligations	6,000
<b>Proposed Fiscal Year 2004 NOA</b>	
Obligations	8,656
Future Obligations	0
Est. Total Cost	14,656

## Data Sheet

<b>USAID Mission:</b>	Madagascar
<b>Program Title:</b>	Agriculture, Trade and Economic Growth
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	687-ZZZ
<b>Status:</b>	New
<b>Proposed FY 2003 Obligation:</b>	\$1,000,000 DA
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2004 Obligation:</b>	\$1,375,000 DA
<b>Year of Initial Obligation:</b>	FY 2003
<b>Estimated Completion Date:</b>	FY 2008

**Summary:** USAID's new economic growth objective will address market and business development. The program will introduce more productive technologies, build links between producers, agribusinesses, and external markets, and improve economic and trade policies which encourage investment and exports. Support will be provided to improve marketing and trade of selected agricultural and non-agricultural commodities, including precious and semi-precious stones. The program will be a vehicle for developing public-private partnerships.

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

#### **FY 2003 Program:**

This will be a new objective in FY 2003, to be notified upon USAID's final approval of a new strategic plan for Madagascar. Initial obligations and procurement actions will be taken in FY 2003 to set the stage for full implementation of the new strategy.

Improving agribusiness efficiency (\$500,000 DA). USAID will begin support to increase the value of selected commodities by diversifying and upgrading Madagascar's domestic as well as exportable supply of agriculture-based products. To reduce costs and encourage agribusiness-small farmer linkages, this program will support viable rural group businesses. Technical assistance and training will help to increase business management skills in rural enterprises, increase the use of business contacts to expand production, marketing and distribution, support business service providers available to support agribusinesses, help enterprises to access credit and identify technology appropriate for local conditions. Contractors/grantees will be identified in late FY 2003.

Increasing trade flows (\$500,000 DA). USAID will address trade bottlenecks to increase the flow of trade of selected commodities by supporting studies and analysis. Technical assistance and training will improve trade facilitation services (e.g., information on export and import duties and customs procedures), promote investment, support access to US markets, and advertise the availability of Malagasy products in new market areas. Contractors/grantees will be identified in late FY 2003.

#### **FY 2004 Program:**

Agricultural production (\$100,000 DA). This activity will address constraints affecting agricultural productivity, including limited access to inputs and limited use of productivity-enhancing technologies. Technical assistance and training will target increased farmer access to technologies (e.g., improved seeds), promote uses of off-season crops and diversification, identify new products for small farmers to grow, increase farmer participation in producer organizations, increase small farmer access to market information, and facilitate collective actions by farmer organizations. Contractors/grantees to be identified.

Improving agribusiness efficiency (\$875,000 DA). USAID plans to continue increasing the value of rural, non-farm products by encouraging improvements in enterprise planning, managing, storing, processing,

packaging and marketing of their exportable products. Training will continue to improve business skills. Contractors/grantees to be identified.

Increasing trade flows (\$300,000 DA). USAID may work to enhance private sector knowledge of and adaptation to international norms, including certification, custom procedures, and sanitary and phytosanitary standards. Contractors/grantees to be identified.

Improving the policy environment (\$100,000 DA). USAID plans to engage more aggressively in policy dialogue, and provide more active support for Madagascar's participation in regional and global trade initiatives as well as help public, private, and non-governmental organizations to identify and analyze the policy and regulatory issues that need change. Contractors/grantees to be identified

**Performance and Results:** This new program will build on activities that were previously carried out under USAID's biodiversity conservation and private initiative objectives. Prior biodiversity interventions attracted more than \$1.25 million in private investments by environmentally friendly enterprises involved in ecotourism and agro-processing. Under the private initiative program, USAID supported the development of bilateral trade and advanced changes in Madagascar's economic growth policy and legal environment.

Over the life of this new objective, a new dynamism will be introduced in Madagascar's rural economy, raising incomes of poor small farmers and reinforcing efforts to conserve Madagascar's endangered biodiversity. Success of this program will also result in much-needed acceleration of economic growth in Madagascar. By 2008, program success will translate into increased gross domestic product and export value for selected commodities.

## US Financing in Thousands of Dollars

Madagascar

687-ZZZ Agriculture, Trade and Economic Growth	DA
<b>Through September 30, 2001</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Fiscal Year 2002</b>	
Obligations	0
Expenditures	0
<b>Through September 30, 2002</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Prior Year Unobligated Funds</b>	
Obligations	0
<b>Planned Fiscal Year 2003 NOA</b>	
Obligations	1,000
<b>Total Planned Fiscal Year 2003</b>	
Obligations	1,000
<b>Proposed Fiscal Year 2004 NOA</b>	
Obligations	1,375
Future Obligations	0
Est. Total Cost	2,375