

Cape Verde Monitoring & Evaluation Plan

- Revised -

December 11, 2008

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ACRONYMS

DGASP	Direcção Geral de Agricultura, Silvicultura, Pecuária	General Directorate of Agriculture, Forestry and Livestock
DGISB	Direcção Geral de Infra-estrutura e Saneamento Básico	General Directorate of Infrastructure and Basic Sanitation
DGPOG	Direcção Geral de Planeamento, Orçamento e Gestão	General Directorate of Planning, Budget and Management
DSSA	Direcção dos Serviços de Segurança Alimentar	Directorate of Food Security Services
ENAPOR	Empresa Nacional de Administração dos Portos	National Ports Authority
ERR	Taxa Económica de Retorno	Economic Rate of Return
GDP	Produto Interno Bruto	Gross Domestic Product
GOCV	Governo de Cabo Verde	Government of Cape Verde
IFC	Sociedade Financeira Internacional	International Financial Corporation
INE	Instituto Nacional de Estatística	National Institute of Statistics
INGRH	Instituto Nacional de Gestão dos Recursos Hídricos	National Institute of Water Management
M&E	Seguimento e Avaliação	Monitoring and Evaluation
MAA	Ministério do Ambiente e Agricultura	Ministry of Agriculture and Environment
MCA	Conta dos Desafios do Milénio	Millennium Challenge Account
MCA-CV	Conta dos Desafios do Milénio – Cabo Verde	Millennium Challenge Account – Cape Verde
MCC	Millennium Challenge Corporation	Millennium Challenge Corporation
MECC	Ministério da Economia, Crescimento e Competitividade	Ministry of Economy Growth and Competitiveness
MFI's	Instituições Financeiras de micro-crédito	Micro-Finance Institutions
MIS	Sistema de Informação para a Gestão	Management Information System
MITM	Ministério das Infra-estruturas, Transportes e Mar	Ministry of Infrastructure, Transport and Sea
MTRR	Relatório de revisão a Meio Percurso	Mid-Term Review Report
NGO's	Organização Não Governamental	Non-Government Organization
NOSI	Núcleo Operacional da Sociedade de Informação	Government Agency for Information Society
PCC	Projecto de Crescimento e Competitividade	Growth and Competitiveness Project
PCR	Relatório Final do Programa	Program Completion Report
PIUGC	Unidade de Coordenação do Projecto Crescimento e Competitividade	Growth and Competitiveness Project Coordination Unit
NR	Relatório Narrativo	Narrative Report
QTR	Trimestre	Quarter
RSSP	Projecto de Apoio ao Sector de Estradas do Banco Mundial	World Bank Road Sector Support Project
SIGOF	Sistema de Informação para a Gestão Orçamental e Financeira	Integrated Budget and Financial Management System

1. Overview

On July 4, 2005, The United States of America, acting through the Millennium Challenge Corporation (MCC), and the Government of the Republic of Cape Verde signed a bi-lateral agreement for economic development assistance (Compact). Annex III of the Compact provided a description of the Monitoring and Evaluation (M&E) Plan for the Millennium Challenge Account (MCA) Program.

A focus on results is a founding principle and cornerstone of MCC assistance. Monitoring and Evaluation (M&E) is essential for a results-based approach to program management. M&E was a key component of program design and remains incorporated into all facets of the program cycle through program close-out. The Compact's M&E Plan is a more detailed extension of Annex III of the Compact.

The M&E Plan serves the following functions:

- Explains in detail how MCA-Cape Verde (MCA-CV) will monitor the various projects to determine whether they are achieving their intended results and measure their larger impacts over time through evaluations.
- Serves as a guide for program implementation and management, so that MCA-CV, including Steering Committee members and Management Unit staff, Stakeholder Committee members, program implementers, beneficiaries, and other stakeholders understand the objectives and targets to be achieved, and are aware of the progress made towards those objectives and targets during implementation.
- Identifies the M&E responsibilities of the MCA-CV Management Unit.
- Establishes a data collection, analysis and reporting process by which MCA-CV, Implementing Entities and MCC can be alerted to any problems in program implementation and provides the basis for making program adjustments
- Outlines M&E requirements that MCA-CV must meet for MCC to approve disbursement requests.

The M&E Plan is considered a binding document, and failure to comply with its stipulations could result in suspension of disbursements. It may be modified or amended as necessary only with the approval of MCC and if it is consistent with the requirements of the Compact and other relevant supplemental legal documents.

2. Summary of the Program and Objectives

Since gaining its independence from Portugal in 1975, Cape Verde has achieved impressive socio-economic gains in such areas as literacy rates, educational attainment, life expectancy, and per-capita income. However, despite these achievements, Cape Verde continues to have high levels of poverty and unemployment. The persistence of poverty can be partly attributed to the fact that Cape Verde is challenged by a lack of obvious economic growth opportunities and a scarcity of resources, particularly water. Nevertheless, Cape Verde's strong record of democratic governance, stability, transparency, and lack of corruption has allowed the country to maintain large inflows of foreign assistance and remittances from émigrés. Given that foreign assistance and remittances are likely to decline in the future, Cape Verde has designed an economic development strategy to move the country from an aid-dependency model of development to one of self-sustaining private-sector led growth¹. The Cape Verde MCA Program was designed to support Cape Verde's development strategy.

The overall goal of the Cape Verde MCA Program is to *reduce poverty and increase economic growth*. The Program consists of three complementary Projects.

1. The **Watershed Management and Agriculture Support Project** is designed to increase agricultural productivity in three specific watershed areas in the islands of Santo Antão, Fogo, and São Nicolau in the short to medium term through the following activities:
 - Watershed Management – development of community water management plans, construction of dikes, terraces, vegetative barriers, and reservoirs
 - Agriculture Development – training, demonstration plots, inspection centers, packaging warehouses, agricultural research
 - Credit – credit for drip irrigation and other agriculture related business activities
2. The **Infrastructure Project** is designed to increase integration of internal markets and reduce transportation costs in the medium to long term through the following activities:
 - Roads and Bridges – rehabilitation of 3 roads² on the island of Santiago and 4 bridges on Santo Antão (in coordination with a World Bank Roads Project)
 - Port of Praia – increase available space for cargo operations and develop high-efficiency terminals
3. The **Private Sector Development Project** is designed to develop the private sector in the long term through the following activities:
 - Financial Sector Reform – support the expansion of deposit-taking powers to micro-finance institutions (MFIs) and expand access to government securities.

¹ Transformation Strategy - 2003

² The original Compact included 5 roads on the Island of Santiago but two needed to be eliminated due to escalating construction costs and, as a result, insufficient funds.

Expected Impact

The Cape Verde Compact identifies monitoring and evaluation analysis at five levels, including Program or Compact Goal, Project Objectives, Project Activity Outcomes, Project Activity Outputs, and Process Milestones.

Cape Verde expects to achieve specific results on these levels. Those results with their appropriate level designations are shown below.

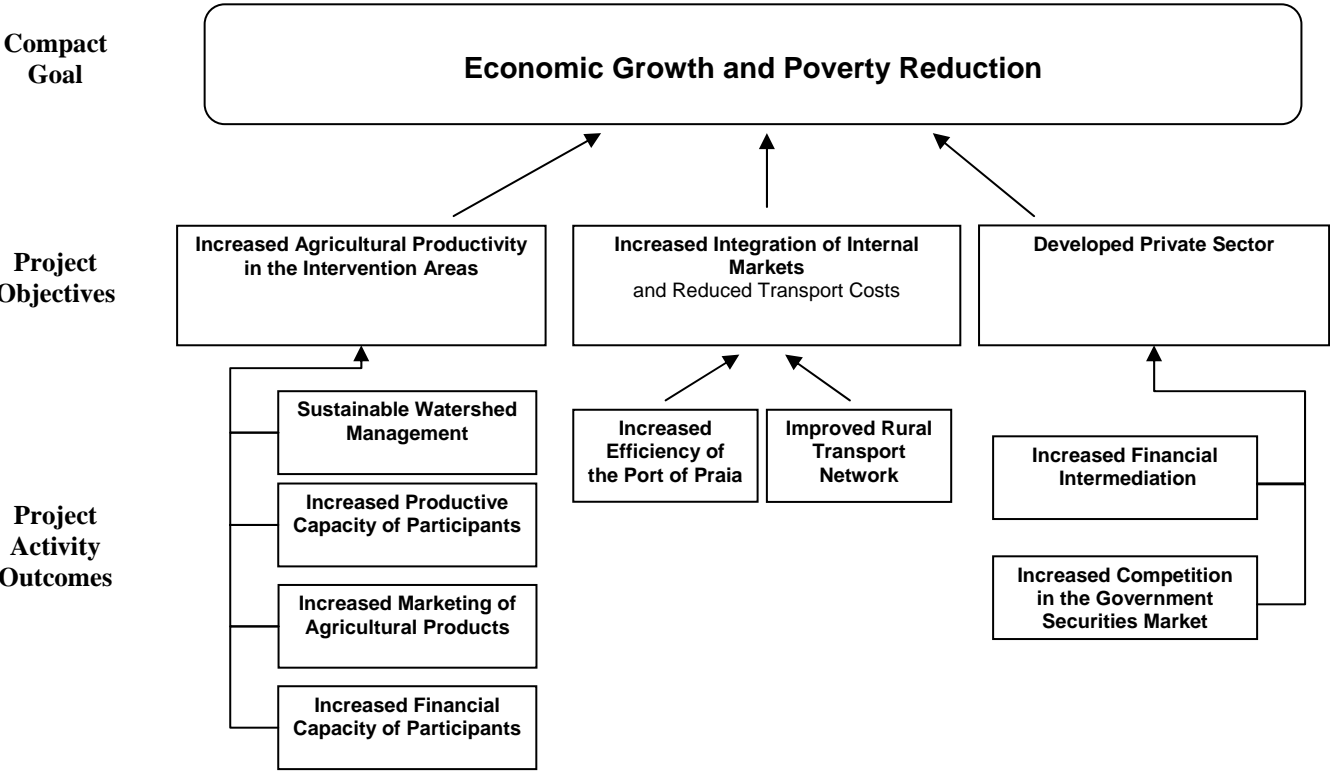


Figure 1 - Compacts Results Chain

The achievement of these results will be measured through specific indicators discussed under the Monitoring Component. The Compact Goal Indicator (increase in annual income) is estimated by aggregating the expected benefits of the three projects (see the Compact Goal Indicator table on the following page)³. This is indicative of the overall impact expected from all of the Project Activities. While these benefits can be estimated, it is difficult to attribute changes in income specifically to interventions undertaken by the Cape Verde MCA Program. This is because other factors, unrelated to the Program, may affect income changes. Therefore, it is not a requirement that MCA-CV monitor and report on the Compact Goal Indicator throughout the life of the Compact. However, these estimated benefits should be used to inform impact evaluation (see Section 5: Evaluation Component for more details).

³ These estimates come directly from the benefit streams used in the economic rate of return (ERR) analysis discussed in Section 5: Economic Analysis, Assumptions and Risks.

Table 1 - Compact Goal

Compact Goal:			
Economic growth and poverty reduction in Cape Verde			
	Definition of Benefits	Year 5	Year 10
Compact Goal Indicator:			
Increase in annual income (US\$ millions)⁴		\$6.9	\$27.1
Measured by:			
Increase in income from the Watershed Management and Agricultural Support Project [‡]	Increase in farm profits and farm wages	0.7	2.0
Increase in income from the Roads and Bridges Activity	Savings on vehicle operating costs from the roads upgraded with asphalt plus the increase in income from the construction of the bridges.	1.9	2.9
Increase in income from the Port Activity*	Relieving constraints on handling capacity, productivity, and ultimately port traffic. Increase in government revenue as a result of increasing the efficiency of the Port.	4.1	21.9
Increase in income from the Financial Sector Reform Activity	Estimated contribution to economic growth calculated from the expected elasticity of growth with respect to the ratio of liquid liabilities to GDP.	0.2	0.3

‡ The income increases here only reflect increased income from horticulture production through drip irrigation activity. They do not include other likely Project income streams from planned post-harvest centers, technical assistance, and other agriculture development services.

* MCC will only be funding Phase I of the Port of Praia project. To estimate the increase in income from the Phase I activity, a percentage of the benefits that would accrue from completion of both Phases I and II was taken. It was estimated that Phase I would contribute 30 percent of the total project's non-GDP based benefits as calculated in the BCEOM market study.

Program Beneficiaries

(1) Watershed Management and Agriculture Support Project

This Project will serve beneficiaries on the islands of Santo Antão, São Nicolau, and Fogo, with services that range from water management and soil conservation, agriculture development and marketing services, and financial services. Beneficiaries include actors along the supply chain, including farmers, farm laborers, micro- and small-sized agribusinesses (mainly owned and operated by women), providers and users of transportation and distribution services, and farmers associations and cooperatives. Even though the number of direct beneficiaries of drip irrigation activities is small at around 2,625, all members of farm families on the three islands (about 70,000 people or 14% of Cape Verde's total population) are expected to benefit at some level from the Project. The beneficiaries per intervention area are outlined in the following table:

⁴ Estimates are 5 and 10 years, respectively, from the Entry into Force date. Increases in income presented are cumulative.

Table 2 - Watershed Beneficiaries

	Santo Antão (Paul)	São Nicolau (Fajã)	Fogo (Mosteiros)	Total
Beneficiaries				
Number of farmers expected to gain increased access to water and credit to install drip irrigation	229	59	49	337
Number of people expected to be impacted directly by drip irrigation activities ⁵	1500	655	470	2,625
Number of farm households on the islands expected to receive benefits from the agriculture development services	6,789	2009	5,726	14,524
Number of people in farm households on the islands	31,776	9,222	28,691	69,689
Total number of people on the islands	48,761	12,940	37,798	99,499

Source: National Statistical Institute of Cape Verde 2008

(2) Infrastructure Development Project

For the roads and bridges in Santiago and Santo Antão, the beneficiaries will be Cape Verdean families, farmers, businesses, non-governmental organizations (NGOs) and social-service providers located in communities along the roads proposed for improvement or connected by the bridges in the Project. There are approximately 60,000 people or 18% of the total population of the islands of Santiago and Santo Antão who will be directly impacted by these construction activities⁶.

Table 3 - Roads Beneficiaries

Road	Km	Direct Beneficiaries *	Indirect Island Beneficiaries **	% of Direct Beneficiaries by Island
Orgãos-Pedra Badejo (Santiago)	10	12,498	282,730	10%
Cruz Grande-Calhetona (Santiago)	14	6,365		
Assomada-Porto Rincão (Santiago)	16	10,002		
Two Bridges at Ribeira Grande (Santo Antão)	0	21,480	48,761	61%
Two Bridges at Vila das Pombas & Liaison Eito (Santo Antão)	0	8,383		
Total	40	58,728	331,491	18%

Source: National Statistical Institute of Cape Verde, January 2008

* Direct beneficiaries are people living in communities along the roads.

** Indirect beneficiaries are all residents on the islands of Santiago and Santo Antão.

⁵ The number of people is estimated by assuming 5 people per farm family

⁶ The total number of beneficiaries is 58,728, according to National Statistical Institute estimates. There are 28,865 beneficiaries from the Roads component, all on Santiago Island, and 29,863 from the Bridges component, all on Santo Antão Island.

Due to construction cost increases and the fall in the US dollar's value, only Phase I – Cargo Village, Access Road, and Quay 2 rehabilitation – of the Port Project will be completed with Compact funds. Phase II, which includes Quay 1, the Container Yard, and Breakwater, will be funded by the Government of Portugal. For the Port of Praia expansion, the primary beneficiaries are Cape Verdean importers and exporters, including individuals and businesses, through improved quality of transportation services following the upgrades to the Port of Praia. Businesses and employees involved in the tourism sector on Santiago are expected to benefit from the Port upgrade by alleviating a possible future constraint on growth. In addition, the whole population of the island of Santiago, approximately 234,940 people, which accounts for 57% of the total population of Cape Verde, is expected to benefit from lower input prices.

(3) Private Sector Development Project

The principal beneficiaries of the Financial Sector Reform Activity will be individuals and companies that stand to benefit from improved access to financial services and enhanced investment opportunities.

The beneficiaries of the Financial Sector Reform Activity will be:

- Urban and rural poor who will gain access to a broader menu of financial services from stronger MFIs;
- Private sector firms and farmers associations/cooperatives that benefit from reduced input costs and greater availability of services;
- Existing MFIs and NGOs who will receive specialized technical assistance for institutional transformation; and
- Investors and borrowers, including government, who will gain from a more open financial system.

3. Monitoring Component

Project and Activity performance will be monitored regularly through the indicator tracking system. This analysis allows managers of MCA-CV and MCC to make programmatic adjustments as necessary with the view towards improving the overall impact of the Program. The Detailed M&E Project Plan will be revisited annually and include targets on a twelve month rolling calendar.

Indicators

Project Objectives and Project Activity Outcomes will be measured by indicators. The Indicator Definition Tables that are attached to the body of the M&E Plan provide a detailed definition of each indicator; unit of measurement; source of data; method of data collection; frequency of data collection; and the entity responsible for gathering the data. Compact Goal Indicators, Project Objective Indicators and Project Activity Outcome Indicators identified in the tables contained in Compact Annex III are included in the M&E Plan. Additional indicators, including Process Milestone indicators, have been added to the M&E Plan as a result of greater definition of the Project Work Plans. Over the life of the Program, the indicators in the M&E Plan may be further expanded or in some exceptional cases reduced, with the mutual agreement of MCA-CV and MCC.

Baselines and Targets for Performance

The baselines and targets for each indicator are shown in the Performance Tracking Tables which are presented after the Indicator Definition Tables in Attachment 3. Pending baselines and targets will be set prior to initiation of the corresponding Project Activities. They are subject to revision during Compact implementation with the mutual agreement of MCA-CV and MCC. The agreed upon deadlines for setting the outstanding baselines and targets are shown in the following table.

Table 4 - Pending Baselines and Targets

Indicators	Pending Baselines and / or Targets Determined by	Collaborating Institution(s)
Watershed Management and Agriculture Support Project		
Volume of loans disbursed for agricultural production	December 31, 2008	MCA / MFIs
On-time repayment rate for agricultural production loans	December 31, 2008	MCA / Caixa Economica / MFIs

MCA-CV will maintain comprehensive technical documentation of the baseline development and the methodologies used to calculate targets; including, for example, underlying assumptions, equations used, data sources used and contact information of responsible parties. Any modification to the approved methodology and/or targets requires written approval by MCC, as per Compact Annex III Section 5 (d) regarding Modifications.

Disaggregating Data by Gender, Income and Age

The following indicators should be disaggregated by gender, age and/or income and will be reported according to the respective indicator's definition:

Table 5 - Indicators to be Disaggregated by Gender, Income and Age

	Gender	Age	Income
Watershed Management and Agriculture Support Project			
Number of farmers trained in drip irrigation	X	X	X
Volume of new loans disbursed – drip irrigation	X	X	X
Infrastructure Project			
Mobility ratio - “Percentage of beneficiary population who take at least 5 trips per month”	X	X	
Travel time ratio – “Percentage of beneficiary population further than 30 minutes from nearest market”	X	X	

The disaggregated data by geographic region, gender, age and income for the Agricultural Support Project beneficiaries will be provided no later than Quarter 14 of the Compact after the

completion of the first *MCA Watershed Cyclical Survey* as defined below in the Evaluation Component. Road Support and Private Sector Development disaggregated data will be provided by geographic region, gender, age and income no later than March 1, 2009.

Data Quality Reviews

The objective of the data quality reviews will be to verify the quality and the consistency of data across all Projects over time, across different implementing partners and reporting institutions. Such data quality reviews will also serve to identify cases in which comparable quality standards cannot be achieved, given the realities of the situation in which the data are collected. These assessments will mainly cover data reported by Implementing Entities and may include other data sources as necessary.

The MCA-CV Monitoring & Evaluation Analyst will oversee the contracting of the independent data quality reviewers in compliance with the Procurement Agreement. Apart from independent data quality reviews, the M&E staff of the Management Unit will regularly check the quality of data across all Projects. The first data quality review should take place prior to Quarter 7 of the Compact. The second data quality review should take no later than Quarter 16 of the Compact.

Standard Reporting Requirements

Performance reporting refers to the tracking of the on-going “actual” progress of Project and Activity indicators against “targeted” progress. Performance reports serve as a vehicle by which the MCA-CV Management informs MCC of implementation progress, impediments, lessons learned, best practices and on-going field revisions to Project work plans.

Currently, two standard performance reports are required at regular intervals during compact implementation: (1) a quarterly Indicator Tracking Table (ITT) which tracks progress against indicators in the M&E Plan with an accompanying narrative report that documents the reasons for significant deviations from targets. These are submitted as part of the Quarterly Disbursement Request Package (QDRP). (2) Annual Supplemental Reports (ASR). Guidance on fulfilling these reporting requirements is available *via* the MCC website at: (<http://www.mcc.gov/countrytools/compact/implementation.php>).

At the end of the compact, MCC may also require a Final Evaluation. The objectives of the Final Evaluation are to provide a history and close-out report of the outcomes of the program as well as to assess MCA-CV’s management of the program. Guidance on this requirement will be provided by MCC.

Other reports on baseline data, data quality, special studies, evaluations and other ad hoc reports will be provided to MCC in accordance with the M&E Plan. For more details on quarterly reporting refer to Attachment 1.

All of these reports must be posted on the MCA-CV website in both English and Portuguese after MCC approval

4. Evaluation Component

Effective management for results requires the regular collection, review and use of performance information. Impact evaluations seek to determine whether project activities have had the desired effects on intended direct beneficiaries; i.e., individuals, households and/or institutions, and whether those effects can be attributed to project interventions.

One of the key features of the MCC's approach to development assistance is its strong commitment to conducting rigorous impact evaluations of its programs, and to use, whenever possible, methodologies that determine whether results can be reliably attributed to MCC interventions. Evaluation also improves program management and provides lessons for program implementation in the future. Consequently, evaluation will be an essential element of the MCA-Cape Verde Program.

Final Impact Evaluations

The Program will be evaluated on the extent to which the interventions contribute to the Compact Goal of "Increasing Economic Growth and Reducing Poverty." MCA-CV, with the prior written approval of MCC, will contract independent evaluators to conduct final impact evaluations. The cost of the final impact evaluations will be jointly financed by the MCA-CV M&E budget and MCC impact evaluation budget.

The Final Impact Evaluations must at a minimum address the following:

- Why goals, objectives and targets were or were not achieved
- Positive and negative unintended results of the program
- Effectiveness of program activities and establish whether results can be attributed to MCC interventions
- Lessons learned and best practices in project implementation
- Comparative analysis of projected versus final economic rates of return on selected Projects

The envisioned approaches to impact evaluations for each of the Project Activities are described below. This part of the M&E Plan will be further developed by MCC and MCA-CV staff.

1. Watershed Management and Agriculture Support Project

Treatment group: The treatment group will consist of farm households in communities that have been chosen to be included in the MCA-CV Program.

Control group: There will be two control groups. The control groups will consist of farm households in communities that have *not* been chosen to be included in the MCA-CV Program. Some of these communities will be within the same watershed area as the treatment group. Some of these communities will not be within the same watershed area as the treatment group and will comprise the second control group.

Selection Method: The Ministry of Agriculture will compile selection criteria for the communities that will be included in the Program with MCC. Then the control communities will be chosen as those being the most similar to the treatment communities before any MCA interventions have occurred. Because of Cape Verde's relatively small population size, it may be difficult to find enough similar households to use as a control. This risk will differ across watersheds and can be mitigated with high response rates and accurate data collection.

Baseline data collection: Three surveys have been developed to capture extensive baseline data on the intervention and control watersheds.

(1) First, the *MCA Watershed Baseline Survey: Agriculture Campaign 2005/2006* will ask about general household information and agricultural production, including plot size, type and amount of irrigation used, types of crops planted, amount of products harvested and sold, and transformation activities at the household level. This survey will be exhaustive, i.e. every household in the treatment and control areas will be interviewed.

(2) The second survey will also be comprehensive and will create a poverty profile of the households in both the intervention and the control areas. The *MCA Watershed Poverty Profile Baseline Survey* will include questions on income, consumption, assets and overall well-being of the household.

(3) The third survey, the *MCA Agribusiness Survey 2006*, will gather information on "transformation" or processing of agricultural products occurring outside of the household in the intervention and control areas. All of the transformation units in the watersheds will be visited for the survey.

These surveys will be administered by the DGPOG office in the Ministry of Agriculture with special assistance by DSSA for the *Poverty Profile Baseline Survey*.

Interim data collection: In the years between the baseline and final surveys, the Ministry of Agriculture will monitor agricultural activity through seasonal surveys. The *MCA Cool Season Agricultural Survey: October/April* and the *MCA Warm Season Agricultural Survey: May/September* will gather detailed information from a sample of households in the intervention areas on production costs, productivity and farm gate prices. In addition to the seasonal

agricultural surveys, DSSA will continue to monitor the poverty profile of a sample of households.

Final data collection: The final data collection will mirror the baseline data collection. There will be three exhaustive surveys of the treatment and control areas: (1) *MCA Watershed Final Survey: Agriculture Campaign 2009/2010*, (2) *MCA Watershed Poverty Profile Final Survey* and (3) *MCA Agribusiness Survey 2010*.

Methodology: The analysis could be done at two levels. First, the treatment areas can be compared to the control areas using a difference-in-differences approach which compares the difference of the treatment group before and after the program to the control group before and after the program. If appropriate, propensity score matching may be used to match treatment and control areas based on data gathered during the baseline data collection. Secondly, the evaluation could compare households within the treatment areas to determine who in the watersheds benefited from the intervention. It could compare households who received various levels of treatment, for example, one could compare a household that received water, training, and credit with a household who received only water to isolate the impacts of the various program interventions. There may be a selection bias associated with using this approach, but this depends on what criteria are used to determine direct beneficiaries and how well those criteria are followed during implementation. Other agricultural surveys, censuses, and the household surveys from INE could be used to supplement the evaluator's work, as could qualitative work such as in-depth interviews with key actors and focus groups.

2. Infrastructure Project: Roads and Bridges

Treatment group: The treatment group will consist of communities around the upgraded roads and bridges. The inclusion criteria for a treatment group could include a variable such as distance from the road, with a cutoff such as two kilometers. Although the variable(s) and cutoff(s) used to define the treatment group can be adapted, they should be established prior to the evaluation and any respective data analysis.

Control group: A control group *could* consist of communities that fit the following criteria:

1. Were included in the World Bank Baseline Socio-Economic Study
2. Have access to an MCC funded upgraded road at Compact's end
3. Have *relatively closer* access to a non-upgraded, non-paved road⁷

⁷ The embedded assumption in establishing these communities as control communities is that households prefer proximity to quality, that is, a household will choose a road that is closer over a road that is of higher quality.

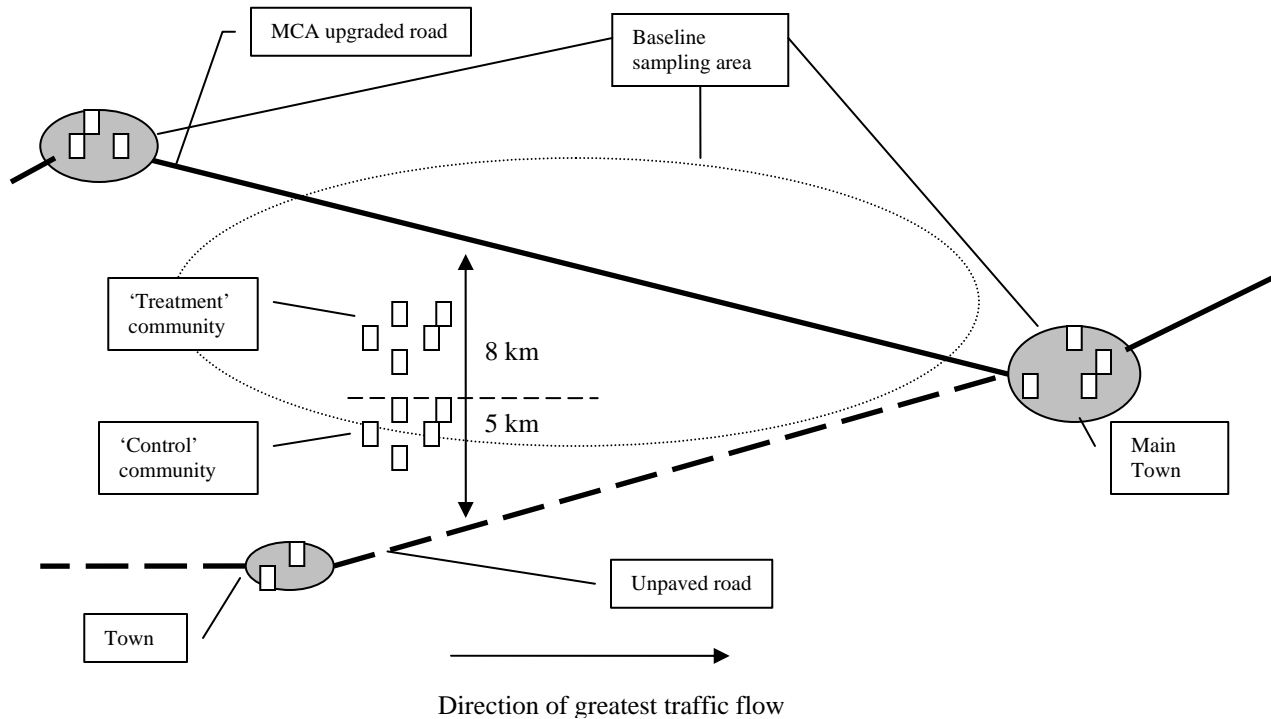


Figure 2 - Potential Roads Impact Evaluation Design

Selection Method: Roads were selected by the World Bank and the Ministry of Infrastructure and Transport as part of a World Bank Project. MCC selected a sub-set of roads from the World Bank Project based on their proximity to the intervention areas for the agriculture project, technical feasibility, and economic returns.

Baseline data collection: The World Bank contracted a socio-economic baseline study and traffic surveys for each of the roads and bridges in 2004/2005. MCC and MCA-CV have copies of these studies.

Interim data collection: No interim data collection will take place for the impact evaluation because the works are expected to be completed within three years and the impact will not be measured until at least a year after the completion of the works.

Final data collection: The baseline study and traffic surveys will be redone for all of the roads and bridges included in the World Bank Project, including MCC activities, about a year or a year and a half after completion of the works. MCC and MCA-CV will be asked to provide input into the terms of reference for these studies to make sure that each organization receives the information they desire.

Methodology: Since the World Bank baseline survey was already completed when this Project was formally submitted by Cape Verde to the MCC; there are no plans to do any extra baseline data collection. Therefore, the evaluation will look at before-after changes in the communities surrounding the upgraded roads. If a suitable control group cannot be derived from the baseline

data, for example, using the methodology above, a simple before-after evaluation shall be conducted. The evaluation will also consist of recalculating the economic rate of returns where applicable. This will determine whether the targets were achieved, including the social indicators as well as the savings forecast for vehicle operating cost. Estrategos Consultores Associados, SA, the consulting firm that carried out the World Bank Socio-economic Baseline data collection and analysis, would be best prepared to carry out the follow-up data collection and analysis. This will ensure consistency in data collection and quality. If Estrategos conducts the final evaluation, their methodology and analysis should be reviewed and assessed by an independent evaluator for rigor and objectivity.

If the fielding of national household and/or business surveys is timely, those instruments should be used to supplement the World Bank surveys to identify control groups, examine business development in the targeted populations, and measure the effect of the road construction on migration. Special studies may also be done on business development in the affected communities as a result of road improvements. This may be especially relevant for Assomada-Rincão (Road No; 4) that is meant to provide better access to market for a fishing community on the island of Santiago.

2. Infrastructure Project: Port

Treatment group: Port of Praia

Control group: Porto Grande in Mindelo or a weighted average of comparable ports.

Selection Method: The Port of Praia was selected because it has had fewer recent improvements than the Port in Mindelo and is the most widely used port in the country.

Baseline data collection: ENAPOR collects detailed, well-organized data on all ships using the port. INE has price data and data on sectors of the economy. Information for the special studies that cannot be found in the 2004 business census will need to be collected. MCC and MCA-CV will organize any baseline data collection that is necessary for the evaluation and special studies.

Interim data collection: No interim data collection will take place for the impact evaluation because the works are expected to be completed in the second half of the Compact and the impact will not be measured until at least a year after completion of Phase II of the works, which is being financed by the Government of Portugal.

Final data collection: Final data collection will be conducted after Phase II of the Port – Quay 1, Container yard, and Breakwater – is completed through financing by the Government of Portugal. The organization conducting the final evaluation will follow on the baseline data collection and methodology developed between MCA-CV, its hired evaluation experts, and the National Statistical Institute.

Methodology: The strategy likely to be used will be a difference-in-differences approach that compares changes in the Port of Praia with either the port in Mindelo or a weighted average of comparable ports. This analysis will measure the relative changes in the cost of transportation to

importers, the price of goods on the island, the level of domestic and international traffic, as well as the growth trend in relevant sectors before and after the improvements to the port. There should also be a series of special studies undertaken to identify the impact of the port on transport companies, shippers, importers, and other investments, i.e. in tourism, that seem to be sensitive to the port. In addition, a special study on inter-island trade should be completed to analyze the extent to which the port contributed to the objective of increasing integration of internal markets.

3. Private Sector Development Project

Due to a significant reduction in the Private Sector Development Project's scope and difficulty in attributing causality in the remaining components – Increasing Financial Intermediation and Competition in the Government Securities Market – a rigorous impact evaluation is not being conducted for this part of the Compact. However, a general evaluation focusing on process and policy may be conducted using MCA funds.

Special Studies

Either MCC or MCA-CV may request special studies of Projects, Project Activities or the Program as a whole prior to the expiration of the Compact. Special studies will be conducted by independent experts contracted by MCA-CV in compliance with the Procurement Agreement.

5. Economic Analysis, Assumptions and Risks

The Cape Verde MCA program logic is based on specific assumptions about the linkages between individual Project Activities and the goal of increasing economic growth and reducing poverty. The economic rates of return are based on these assumptions. Risks are external to program implementation and are likely to affect program success.

Economic Analysis

A summary of the estimated economic rates of return (ERRs) is included in the table below. An additional Project Activity, the Partnership to Mobilize Investment, has not been included in this summary as the specific investment opportunities will be identified later on according to pre-defined criteria, e.g., a minimum ERR of 10%.

Table 6 - Projects Economic Rate of Return

Project / Project Activity	Economic Rate of Return
Agriculture Project ⁸	3% - 13%
Roads and Bridges Activity	14%
Port of Praia Activity ⁹	29%
Financial Sector Reform Activity	11%

The Watershed Management and Agriculture Support project ERR examines the increase in value added that results from the horticulture and fruit production made possible by the investments in watershed management. The Roads return measures the reduction in vehicle operating costs from improving existing roads and laying new ones, as well as the reduction in foregone earnings resulting from the new bridges connecting economic centers previously bisected during rainy periods. In the Port estimate, studies undertaken by BCEOM have modeled the results of MCC investments in operational detail. In particular, the model captures explicitly MCC investments' contribution to relieving constraints on handling capacity, productivity, and ultimately port traffic. BCEOM's September 2007 study estimated benefits of these investments both in terms of cost reductions for port operations as well as GDP growth. Finally, the Financial Sector's ERR is based on published econometric estimates of the impact of the depth of the financial sector on GDP growth. There are a number of potential positive externalities that have not been included in the calculations.

Assumptions and Risks

The most significant assumptions and risks are presented in the tables below for each Project. Many of these assumptions have been included in the M&E Plan as indicators, as a way of testing the economic analysis assumptions during program implementation.

⁸ The Agricultural Project's ERR is based on farmers' crop selection and those crops' respective average farm-gate prices in 2007 (the exception is Cabbage, which uses the market price at Sal). A relatively lower-return crop mix of 20% of each of the following per hectare: Pepper, Lettuce, Cassava, Potato, and Banana yields a Project ERR of 3%. A relatively higher return crop mix of 20% each of the following per hectare: Tomato, Sweet Potato, Cabbage, Onion, and Mango yields a Project ERR of 13% (Value Added targets are based on this crop mix). Both scenarios assume a uniform cropping pattern across all watersheds and a small percentage of crops (10%) as low quality and therefore unsellable. This ERR should be viewed as conservative as it does not include income streams from other likely benefits from planned post-harvest centers, technical assistance, and other agricultural development services.

⁹ This ERR includes a 20% cost increase contingency. The returns are based on the completion of both Phases I and II.

Table 7 - Assumptions and Risks

Watershed Management and Agriculture Support	
Assumptions	Risks
Drip irrigation will be installed on approximately 112 hectares (with about 337 farmers adopting drip irrigation)	Farmers do not find drip irrigation credit terms favorable and do not widely adopt drip irrigation technology.
Farmers on irrigated land will grow horticulture and will cultivate 2 crop cycles on average Real prices remain constant	Farmers do not realize sufficient profits to make payments on drip irrigation loans.
Sufficient market exists to absorb farmers' produce	The quarantine for horticulture products on Santo Antao is not lifted.
	There is insufficient water available to irrigate the intended hectares
	Domestic inter-island transportation infrastructure remains weak and local demand is not sufficient for increased horticultural production.
	As with any construction project, there is the risk that costs will exceed the budget.
Infrastructure Development	
Assumptions	Risks
<i>Roads and Bridges</i>	
There will be significant savings in vehicle operating costs for roads upgraded with asphalt	The Road Maintenance Fund is subject to pressure to allocate funds outside programmed maintenance. The design of this Road Maintenance Fund improves upon the structure of an earlier road maintenance-financing mechanism that did not prove successful.
There will be substantial benefits in terms of increased access to economic opportunities and social infrastructure for the "social roads" and these benefits will be greater than the cost of rehabilitation	As with any construction project, there is the risk that costs will exceed the budget.
Bridges on Santo Antao are passable all year round.	
<i>Port of Praia</i>	
Absent port improvements, the economy, in particular, GDP growth would be constrained. Anticipated economic benefits rely on investments relieving constraints on productivity, handling capacity, and ultimately port traffic, generating benefits both in terms of cost reductions for port operations as well as GDP growth.	There is the risk that the growth in cargo traffic that was used as the basis for the expansion plan does not materialize, or takes longer to materialize than projected.
	As with any construction project, there is the risk that costs will exceed the budget. The project has already been halved as a result of cost increases. Bids for the Phase 1 port are under evaluation now (June 2008). The low bid came in 50% higher than the estimate.

	Significant environmental risks include damage to the marine communities in the area of the port, contaminated dredge material and demolition waste, impacts from road construction, and dust from earth moving activities.
	There is the risk that GOCV or ENAPOR do not go forward with restructuring and privatization or that the attempt at privatization is not successful.

Private Sector Development	
Assumptions	Risks
<i>Financial Sector Reform</i>	
At least three microfinance institutions agree to accept assistance.	MFI's do not become operationally and financially sustainable.

6. Implementation and Management of M&E

Before the end of the Initial Operating Period of the Compact (180 days after Entry into Force) the M&E Plan must be approved by the MCA-CV Steering Committee and submitted to MCC. Once agreed to by MCC, the M&E Plan will be posted on the MCA-CV website.

Before beginning implementation of Projects or Project Activities, MCA-CV will orient staff and Project implementers on how performance will be measured, and will provide any necessary training to comply with the M&E Plan. MCC, through its M&E Division, will assist MCA-CV as needed and requested. MCA-CV will also review comments and suggestions from beneficiaries, including the Steering Committee and Stakeholders Group. The Steering Committee must review and approve the M&E Plan before the fourth quarter of each Compact year.¹⁰ MCC and MCA-CV may make adjustments to the M&E Plan as needed, *provided*, any such modification or amendment of the M&E Plan has been approved by MCC and is otherwise consistent with the requirements of the Compact and any relevant Supplemental Agreement between the Parties.

MCA-CV, for its part, will formulate Detailed M&E Plans to monitor Project Activity performance through input, process and output level indicators that compliment those shown here at the Compact and Project levels. The MCA-CV Senior Economist, the Monitoring and Evaluation Analyst and the Monitoring and Evaluation Assistant will be responsible for carrying out the tasks associated with M&E.

Responsibilities

The general M&E responsibilities that MCA-CV will carry out include the following:

- Modify the M&E Plan as more information becomes known (for example, define indicators, baselines, and targets);
- Prepare and up-date the MCA-CV Detailed M&E Plans;
- Coordinate with implementers and/or execute directly the collection of data;
- Prepare all MCA-CV M&E Reports for the MCC;

¹⁰ This is a requirement of the Disbursement Agreement Section 3.5 (g).

- Maintain an M&E database and work with NOSi to incorporate it into the national accounting system, SIGOF;
- Ensure that all M&E Reports and other relevant information is updated on the MCA-CV website;
- Manage contracts with local and/or international consultants for M&E services and verify the quality and quantity of all deliverables;
- Coordinate or execute special studies and ad hoc evaluations as needed;
- Contract for and oversee program and project evaluation activities;
- Contract for and oversee data quality reviews; and
- Facilitate learning exchanges and information dissemination with the Cape Verde public and foreign donor community (lessons learned and best practices).

For the specific responsibilities of the M&E Analyst refer to Attachment 3.

Coordination of M&E Data Gathering

The gathering of most if not all activity level performance indicators – input, processes, outputs and some outcomes – will be carried out by the Implementing Entities. The Project M&E Plans referred to above will guide this data gathering. The data will then be shared with and reported to MCA-CV on a quarterly basis. Any data collection instruments that are not processed through the procurement plan and are funded with MCA funds need to be approved in writing by MCC.

For activities carried out under the Watershed Management and Agriculture Support Project, the MCA Central Coordination Unit in the Ministry of Agriculture and Environment (MAA) will be responsible. For the gathering of data measuring the impact of the roads and bridges, the World Bank Roads Sector Support Project (RSSP) in the Ministry of Infrastructure, Transport and Sea (MITM) will be responsible while, for the port, the Studies Office (GEP) within the Ministry of Infrastructure, Transport and Sea (MITM) will be responsible, with the support of ENAPOR, S.A. The General Directorate of Infrastructure and Basic Sanitation (DGISB) within MITM, the Government body in charge of the management of all State owned infrastructure works, will support the data collection for the Port, Roads and Bridges, through its review of the Contractors Statement of Work and of the Supervisory firm's report

For the Private Sector Development Project, the collection, consolidation and reporting of project activities will be performed by Caixa Economica, the parent bank of the MFIs, and the MFIs that are involved in the Project.

The following diagrams display the reporting flow for activity level performance indicators:¹¹

¹¹ The National Institute of Statistics (INE) and/or other organizations may also be involved in data collection for the impact evaluations.

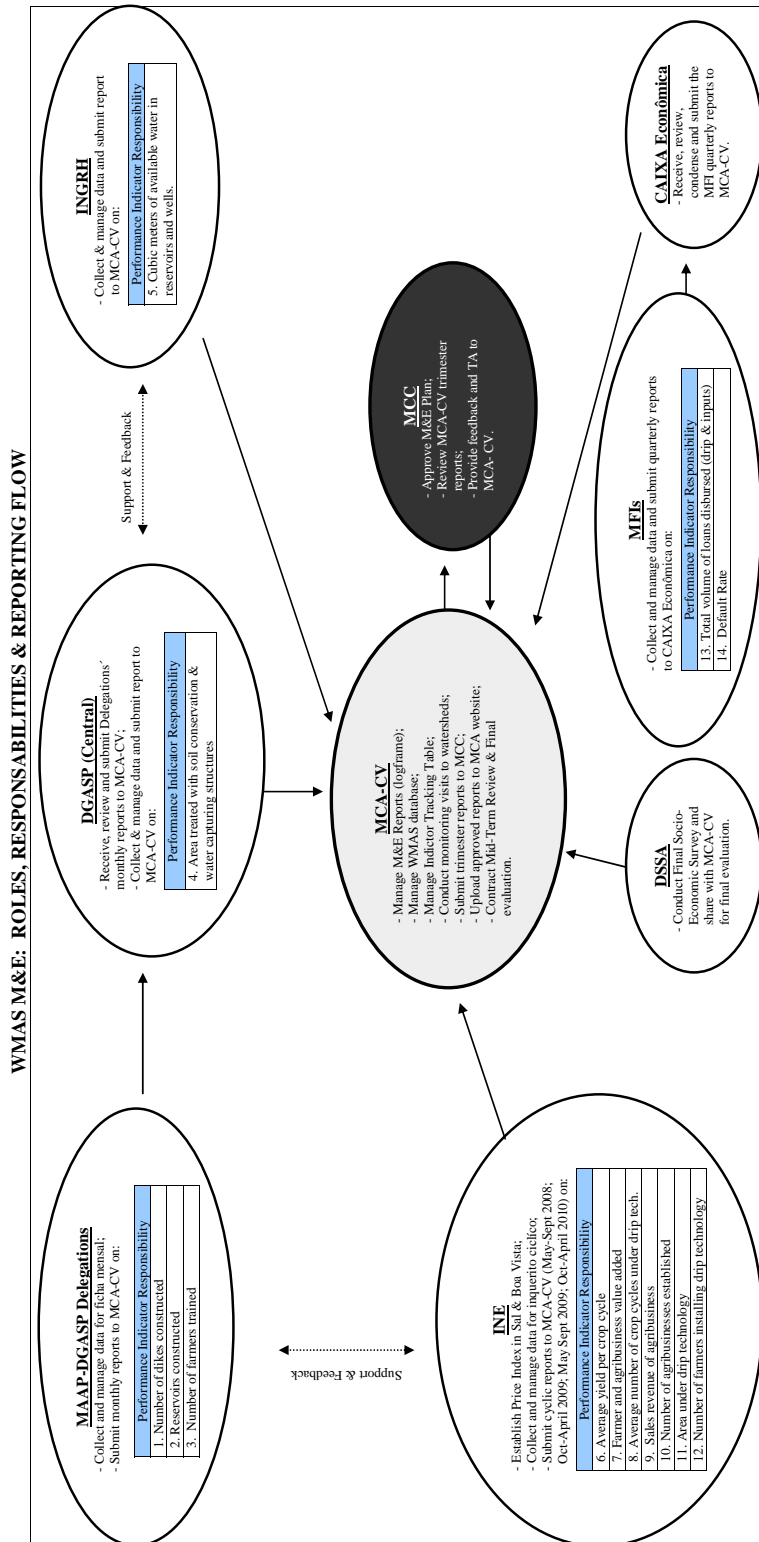


Figure 3 - WMAS Roles and Responsibilities for Monitoring

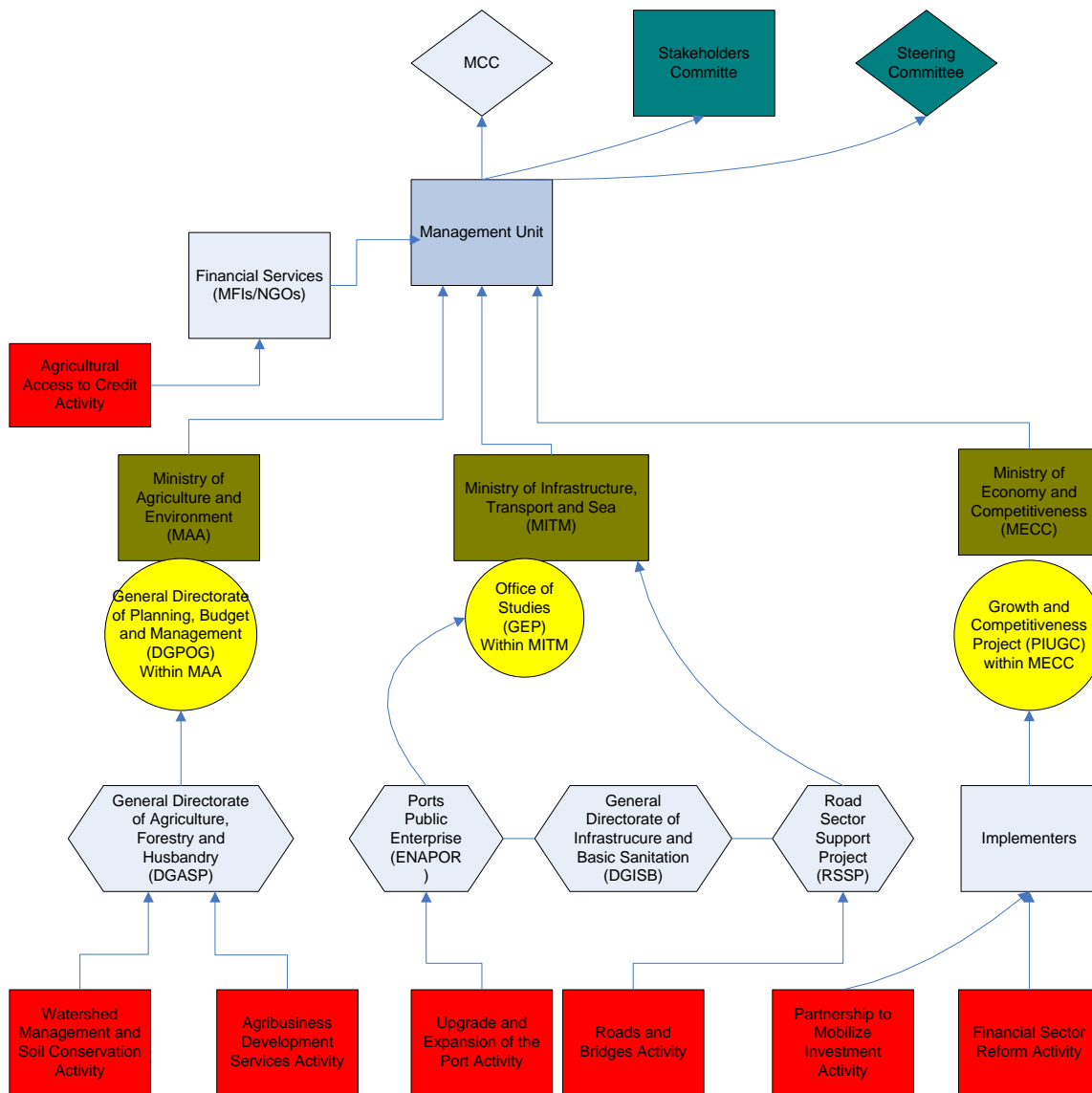


Figure 4 - M&E Data Gathering Structure

Consultative Process

Civil society consultative activities have been programmed for each project and for each year throughout the life of the Compact. Consultative activities involve representative participation of direct beneficiaries, civil society organizations, private volunteer organizations, chambers of commerce, municipal governments, non-governmental organizations, microfinance institutions and other stakeholders in an annual review of planned and executed activities, results of environmental impact studies, the development of environmental impact implementation plans and the on-going reprogramming of project activities. Representative participation will be financed through project funds for rotating annual events hosted among four Cape Verde islands.

The Management Information System for M&E

MCA-CV will establish and maintain an appropriate management information system (MIS) for continuously monitoring and reporting the progress of the Program and the impact of each of its Projects. That system will cover indicators identified for tracking in both the M&E Plan as well as the Detailed M&E Plans used by the MCA Unit and implementers. MCC will fund the upgrade of SIGOF, the existing government system for budgeting and financial management, to be used by MCA-CV as a program management and monitoring system to organize data and produce the necessary reports. The upgrade and maintenance of SIGOF will be done by NOSi with assistance from MCA-CV M&E staff as needed.

Institutional Strengthening for M&E

In order to strengthen the institutional capacity of implementing entities and corresponding project personnel and of MCA-CV staff, a number of support activities and products have been incorporated into the project work plans. Support activities and products include: 1) training host agency counterpart personnel in specialized software applications in support of the M&E process, project management and project-specific technical analysis, 2) supporting the on-going development of technical manuals and methodological documentation, 3) organizing workshops for the civil society consultative process, 4) providing technical assistance, 5) advancing electronic inter-agency interconnectivity and information exchange and 6) aligning Compact investments in software, database design and information systems development with the 2005 National Information Society Strategic Program and the Electronic Government Action Plan.

7. Budget

The original budget for the proposed M&E system implementation for the five-year term of the Compact was approximately US\$ 4.8 million. The M&E budget does not include the M&E staff (Senior Economist, M&E Analyst and M&E Assistant) in the MCA-CV Management Unit whose salaries and field trips are included in the administrative budget of the Compact. The budget should not exceed the total amount over the five years, but the distribution of funding between line items and years will be adjusted according to the results of the annual review of the M&E Plan. As a result of reviews to date, the revised budget has been recalculated to US \$3.5 million. The most up-to-date version of the budget broken down by quarter will be maintained by MCA-CV.

Table 8 – Monitoring and Evaluation Detailed Budget

	2005	2006	2007	2008	2009	2010	Compact Total
M&E MIS	\$0	\$0	\$0	\$241,617	\$48,323	\$0	\$289,940
Monitoring System	\$0	\$0	\$114,852	\$63,291	\$0	\$0	\$178,143
Link SIGOF to GIS	\$0	\$23,000	\$0	\$0	\$0	\$0	\$23,000
Agriculture Surveys - Baseline	\$3,071	\$79,028	\$7,095	\$0	\$0	\$0	\$89,195
MCA Socio Economic Baseline Survey	\$0	\$12,872	\$52,339	\$0	\$0	\$0	\$65,211
Data Quality Review I	\$0	\$0	\$14,429	\$0	\$0	\$0	\$14,429
SPSS Training	\$0	\$0	\$11,808	\$0	\$0	\$0	\$11,808
TA for the layout of the M&E MIS	\$0	\$9,800	\$0	\$0	\$0	\$0	\$9,800
Informatic Equipments: Support Equipment for MS Project Server	\$0	\$0	\$0	\$50,000	\$0	\$0	\$50,000
IT Infrastructure Equipment for Transparency & M&E	\$0	\$0	\$0	\$227,472	\$0	\$0	\$227,472
SPSS software	\$0	\$0	\$0	\$60,000	\$0	\$0	\$60,000
Programming MS Project	\$0	\$0	\$0	\$35,000	\$0	\$0	\$35,000
Training: MS Project	\$0	\$0	\$0	\$9,000	\$0	\$0	\$9,000
TA to prepare GIS TOR	\$0	\$0	\$0	\$44,500	\$0	\$0	\$44,500
Geographic Information System	\$0	\$0	\$0	\$0	\$400,000	\$0	\$400,000
Training: GIS	\$0	\$0	\$0	\$0	\$10,141	\$0	\$10,141
Training: M&E	\$0	\$0	\$12,351	\$60,000	\$215,000	\$75,000	\$362,351
Capacity Building for Management Unit	\$0	\$0	\$0	\$0	\$35,000	\$0	\$35,000
Data Quality Review II	\$0	\$0	\$0	\$37,128	\$0	\$0	\$37,128
Consultative Process	\$0	\$12,531	\$6,380	\$59,880	\$48,570	\$30,090	\$157,451
Implementation of Surveys MCA-CV/INE	\$0	\$0	\$0	\$254,233	\$236,766	\$117,373	\$608,373
Procurement of Informatic Equipments - INE	\$0	\$0	\$0	\$65,333	\$0	\$0	\$65,333
Procurement of Vehicles - INE	\$0	\$0	\$0	\$80,000	\$0	\$0	\$80,000
MCA Socio Economic Final Survey - Sept. 2010	\$0	\$0	\$0	\$0	\$63,267	\$6,987	\$70,254
INGRH Work Plan	\$0	\$0	\$0	\$66,859	\$20,858	\$19,123	\$106,840
Monitoring Well - Paul			\$0	\$59,402	\$0	\$0	\$59,402
Port of Praia Special Study / Evaluation	\$0	\$0	\$0	\$71,440	\$0	\$0	\$71,440
Special study on aquifer conditions	\$0	\$0	\$0	\$0	\$0	\$69,200	\$69,200
WMAS Project Evaluation	\$0	\$0	\$0	\$0	\$0	\$100,000	\$100,000
Roads and Bridges Activity Evaluation	\$0	\$0	\$0	\$0	\$0	\$98,400	\$98,400
PSD Impact Evaluation - Financial	\$0	\$0	\$0	\$0	\$0	\$60,000	\$60,000
Total	\$3,071	\$137,232	\$219,255	\$1,485,155	\$1,077,925	\$576,173	\$3,498,811

ATTACHMENTS

Attachment 1 – Cape Verde Reporting Requirements

Performance Reporting is conducted on a quarterly basis to track Compact progress during the Implementation Phase. For the most up to date guidance please refer to the MCC website:
<http://www.mcc.gov/countrytools/compact/implementation.php>

The Indicator Tracking Table (ITT) Template is available at:
<http://www.mcc.gov/documents/mcc-guidance-template-dr-annex05-itt.xls>. The ITT must be delivered to MCC on a quarterly basis as part of the Reporting Package.

Attachment 2 – Process Milestones and Indicators

Project: Private Sector Development – Credit Bureau							
Indicator	Definition	Data Source	Responsible Entity	Frequency of Data Collection	Milestone date	ITT Submission Quarter	Status: Pending or Completed
Signature of IEA with CSCC (Conselho Superior de Câmaras de Comércio)	Signed contract entered into effect	MCA	MCA-Cape Verde	One time	6/23/2008	11	Pending
Tender Documents Approved and Issued	Establishes Credit Bureau	MCA	MCA-Cape Verde	One time	12/5/2008	13	Pending
Project: Private Sector Development – Development of Microfinance Institutions							
MCA-CV Approves Institutional Development Action Plans	Definition of actions, trainings, and activities for MFIs to be completed	MCA	MCA-Cape Verde	One time	10/3/2008	13	Pending
MCA accepts Quarter 7 Progress Report (4 selected MFIs are financially and operationally sustainable)	Successful achievement of project goals for pre-selected MFIs	MCA	MCA-Cape Verde	One time	5/26/2010	19	Pending

Project: Private Sector Development – Government Securities							
Indicator	Definition	Data Source	Responsible Entity	Frequency of Data Collection	Milestone date	ITT Submission	Status: Pending or Completed
Legislation modified permitting sale of securities to individuals	Expands access to the primary market	MCA	MCA-Cape Verde	One time	9/30/2008	12	Pending
New auction process approved by Ministry of Finance	Improves the market's operational environment	MCA	MCA-Cape Verde	One time	12/31/2008	13	Pending
Project: Water Management and Agricultural Services							
Government approves new water pricing policy	Unit consumption charge established for irrigation use	MCA	MCA-Cape Verde	One time	8/29/2008	12	Pending
Completion and equipping of rural extension centers in all three watersheds (Fajã, Mosteiros, and Paúl)	Technical assistance available to Islands' farmers	MCA	MCA-Cape Verde	One time	9/30/2008	12	Pending
Construct and equip packing and conservation service center in all three watersheds (Fajã, Mosteiros, and Paúl)	Agricultural marketing services available to Islands' farmers	MCA	MCA-Cape Verde	One time	10/30/2009	17	Pending

Project: Roads Rehabilitation							
Indicator	Definition	Data Source	Responsible Entity	Frequency of Data Collection	Milestone date	ITT Submission	Status: Pending or Completed
All Compromise Agreements signed for Road 1	Allows construction for Road 1 to begin	MCA	MCA-Cape Verde	One time	6/30/2008	11	Pending
All Compromise Agreements signed or Expropriation process completed for Road 2	Allows construction for Road 2 to begin	MCA	MCA-Cape Verde	One time	7/31/2008	12	Pending

Project: Port of Praia – Phase 1							
Indicator	Definition	Data Source	Responsible Entity	Frequency of Data Collection	Milestone date	ITT Submission	Status: Pending or Completed
Contract for Phase 1 Works Signed	Engineering Construction Firm officially contracted to complete Phase 1	MCA	MCA-Cape Verde	One time	7/31/2008	12	Pending
BCEOM Submits Final Design for Phase II Works	Phase II designs and MCA obligation for Phase II complete	MCA	MCA-Cape Verde	One time	8/7/2008	12	Pending
Site Installation Complete	Prepares Phase I works to begin	MCA	MCA-Cape Verde	One time	10/23/2008	13	Pending

*Attachment 3 – Indicator Definition Tables and Performance Tracking Tables***Indicator Definition Table: Watershed Management and Agricultural Support Project**

Objectives	Indicators	Definition of Indicators	Units	Source	Methodology	Frequency of Data Reporting to MCC	Responsible Party
Sustainable Watershed Management	Volume of available water	Captured surface water plus water available through new wells from MCA project	m3	Annual reports by DGASP. Monthly monitoring report by INGRH.	Standard calculations done by DGASP based on existing infrastructure including reservoirs, wells, etc	Annually	INGRH
	Tons of solid material retained through soil conservation infrastructure	Tons of solid material retained with rural infrastructure for soil conservation and water catchment through torrential correction dikes from MCA project	Tons	Annual Monitoring Report	DGASP has a standard calculation for "tons retained" based on information provided by the Delegations on the completion of infrastructure construction	Annually	DGASP (Central)

Indicator Definition Table: Watershed Management and Agricultural Support Project

Objectives	Indicators	Definition of Indicators	Units	Source	Methodology	Frequency of Data Reporting to MCC	Responsible Party
Increase Agricultural Productivity in the Intervention Areas	Productivity	Average yield per production cycle for horticulture products across the three intervention areas. Horticulture includes the following products: tomato, onion, carrot, cabbage, bell pepper, cucumber, cauliflower, parsley, hot pepper, squash, potato, sweet potato, and cassava.	Tons per hectare	MCA Watershed Baseline Survey: Agriculture campaign 2006; MCA Seasonal Surveys; MCA Watershed Final Survey: Agriculture Campaign 2010;	Exhaustive survey of the intervention areas. Monitoring surveys based on a randomized representative sample of the baseline survey.	Annually	MCA / INE
	Value-added for farms.	Value-added for farms is defined as "Farm profits plus wages from the drip irrigation activities in the intervention areas."	2007 thousands of US dollars, exchange rate adjusted	MCA Watershed Baseline Survey: Agriculture campaign 2006; MCA Seasonal Surveys; MCA Watershed Final Survey: Agriculture Campaign 2010;	Exhaustive survey of the intervention areas.	2006 (Compact Q4) and 2010 (Compact Q20).	MCA / INE
	Number of crop cycles	Average number of crop cycles attained by farmers cultivating horticulture with drip irrigation and technical assistance in the intervention watershed	Number	MCA Watershed Baseline Survey: Agriculture campaign 2006; MCA Seasonal Surveys; MCA Watershed Final Survey: Agriculture Campaign 2010;	Exhaustive survey of the intervention areas. Monitoring surveys based on a randomized representative sample of the baseline survey.	Annually	MCA / INE

Indicator Definition Table: Watershed Management and Agricultural Support Project

Objectives	Indicators	Definition of Indicators	Units	Source	Methodology	Frequency of Data Reporting to MCC	Responsible Party
Increase Productive Capacity	Number of farmers adopting drip irrigation	Number of farmers adopting drip irrigation through the MCA WMAS project in the intervention watersheds	Number	MCA Watershed Baseline Survey; MCA Seasonal Surveys; MCA Watershed Final Survey; Ag Technical Services Contractor Quarterly Report.	Exhaustive survey of the intervention areas. Monitoring surveys based on a randomized representative sample of the baseline survey. Data collection by contractor	Annually	MCA / INE
	% of contracted irrigation works disbursed (cumulative)	Total amount of contracted irrigation works disbursed to implementer divided by total value of irrigation works contracts signed.	Percent (%)	MCA contractual agreements and implementer reports.	Regular assessment of contracts, financial reports, and payment records.	Quarterly	MCA
	Area irrigated with drip irrigation	Total number of hectares irrigated with drip irrigation through the MCA WMAS in the intervention areas	Hectares	MCA Watershed Baseline Survey; MCA Seasonal Surveys; MCA Watershed Final Survey; Ag Technical Services Contractor Quarterly Report.	Exhaustive survey of the intervention areas. Monitoring surveys based on a randomized representative sample of the baseline survey. Data collection by contractor	Annually	MCA / INE
	Reservoirs constructed	Number of reservoirs constructed through the MCA WMAS in the intervention watersheds	Number	Monthly progress report from Delegations	Administrative form submitted by the Delegations every month	Quarterly	MAAP-DGASP Delegations
	Number of farmers that completed training in at least 3 of the 5 core disciplines (number)	Number of farmers trained in at least 3 of 5 core disciplines through the MCA MAAP extension program	Number	Monthly progress report from Agriculture Project Management Firm and Delegations	Administrative form submitted by the Delegations every month	Annually	MAAP-DGASP Delegations

Indicator Definition Table: Watershed Management and Agricultural Support Project

Objectives	Indicators	Definition of Indicators	Units	Source	Methodology	Frequency of Data Reporting to MCC	Responsible Party
Increase Financial Capacity of Participants	Volume of new loans disbursed for agricultural production	Total volume of new loans disbursed by micro-finance institutions for MCA WMAS agricultural production.	2006 US Dollars, exchange rate adjusted	MFI's Annual Report	Consolidated MFIs' Balance Sheet	Annually	MCA / Caixa Economica / MFIs
	On-time repayment rate for agricultural production loans	Amount of a loan paid on-time divided by amount of a loan due at a specific time	%	MFI's Annual Report	Consolidated MFIs' Balance Sheet	Annually	MCA / Caixa Economica / MFIs

Performance Tracking Table: Watershed Management and Agricultural Support Project

Objective	Indicators	Baseline	Annual Targets					Compact Total
			1	2	3	4	5	
Sustainable Watershed Management	<u>Volume of Available Water (Cubic Meters)</u>	0	0	0	6,600	298,300	322,600	627,500
	Paul (SA)	0	0	0	6,600	285,300	309,600	601,500
	Faja (SN)	0	0	0	0	6,000	6,000	12,000
	Mosteiros (FG)	0	0	0	0	7,000	7,000	14,000
	<u>Tons of solid material retained through soil conservation infrastructure (Tons)</u>	0	0	0	8,688	16,864	0	25,552
	Paul (SA)	0	0	0	3,995	7,755	0	11,750
	<i>Torrential correction dikes</i>	0	0	0	3,995	7,755	0	11,750
	Faja (SN)	0	0	0	1,505	2,922	0	4,427
	<i>Torrential correction dikes</i>	0	0	0	1,505	2,922	0	4,427
	Mosteiros (FG)	0	0	0	3,187	6,187	0	9,375
	<i>Torrential correction dikes</i>	0	0	0	1,940	3,767	0	5,707
	<i>Small Dikes</i>	0	0	0	1,247	2,421	0	3,668
Increase Agricultural Productivity in the Intervention Zones	<u>Productivity: Horticulture (tons/ha)</u>							
	Paul (SA)	5.9	5.9	5.9	5.9	5.9	9.4	NA**
	Faja (SN)	10.2	10.2	10.2	10.2	10.2	14.3	NA
	Mosteiros (FG)	8.0	8.0	8.0	8.0	8.0	11.1	NA
	<u>Value added for farms (thousands of US dollars)</u>	67.7	67.7	67.7	67.7	508.7	729.6	NA
	Paul (SA)	55.2	55.2	55.2	55.2	130.0	204.3	NA
	Faja (SN)	8.4	8.4	8.4	8.4	251.9	335.1	NA
	Mosteiros (FG)	4.1	4.1	4.1	4.1	126.8	190.2	NA
	<u>Number of crop cycles (number)</u>	1.33	1.33	1.33	1.33	2.00	2.00	NA
	Paul (SA)	2.00	2.00	2.00	2.00	3.00	3.00	NA
Faja (SN)	1.00	1.00	1.00	1.00	1.50	1.50	NA	
Mosteiros (FG)	1.00	1.00	1.00	1.00	1.50	1.50	NA	

**Compact Total not applicable - indicator is a point in time value, not cumulative

Performance Tracking Table: Watershed Management and Agricultural Support Project

Objective	Indicators	Annual Targets						Compact Total
		Baseline	Year					
		1	2	3	4	5		
Increase Productive Capacity	<u>Number of farmers adopting drip irrigation (number)</u>	0	0	0	109	228	0	337
	Paul (SA)	0	0	0	109	120	0	229
	Faja (SN)	0	0	0	0	59	0	59
	Mosteiros (FG)	0	0	0	0	49	0	49
	<u>Percent of contracted irrigation works disbursed (cumulative)</u>	0	0	1%	33%	100%	0	100%
	<u>Area irrigated with drip irrigation through MCA program (ha)</u>	0	0	0	0	74.8	36.4	111.2
	Paul (SA)	0	0	0	0	36.6	20.9	57.5
	Faja (SN)	0	0	0	0	22.1	7.4	29.4
	Mosteiros (FG)	0	0	0	0	16.2	8.1	24.3
	<u>Reservoirs constructed (number)</u>	0	0	0	11	17	0	28
	Paul (SA)	0	0	0	8	5	0	13
	Faja (SN)	0	0	0	2	6	0	8
	Mosteiros (FG)	0	0	0	1	6	0	7
	<u>Number of farmers that have completed training in at least 3 of the 5 core Ag disciplines (number)</u>	0	0	0	100	475	225	800
	Paul (SA)	0	0	0	50	175	100	325
Faja (SN)	0	0	0	25	150	50	225	
Mosteiros (FG)	0	0	0	25	150	75	250	

Performance Tracking Table: Watershed Management and Agricultural Support Project

Objective	Indicators	Annual Targets						
		Baseline	Year					Compact Total
			1	2	3	4	5	
Increase Financial Capacity of Participants	<u>Volume of new loans disbursed for agriculture (\$ US)</u>	0	0	0	0	TBD	0	TBD
	Paul (SA)	0	0	0	0	TBD	0	TBD
	Faja (SN)	0	0	0	0	TBD	0	TBD
	Mosteiros (FG)	0	0	0	0	TBD	0	TBD
	On-time repayment rate of loans for agriculture (%)	92%	92%	92%	92%	TBD	TBD	NA

* To be determined

**Compact Total not applicable - indicator is a point in time value, not cumulative

Indicator Definition Table: Port of Praia Project

Objectives	Indicators	Definition of Indicators	Units	Source	Methodology	Frequency of Data Reporting to MCC	Responsible Party
Improve the fixed assets of the Port of Praia	Port of Praia: percent of contracted Port works disbursed (cumulative)	Amount of contracted Port works disbursed to implementer divided by total value of Port works contracts signed.	%	MCA contractual agreements and supervisory reports.	Regular assessment of contracts, financial reports, and payment records.	Quarterly	MCA
	Cargo Village: Percent of construction works completed	Percent of total construction works completed on the Cargo Village	%	Supervisory report	MCA-CV confirmation of supervisory firm progress reports as: (a) complete and accurate; and (b) work phases completed as per contract	Quarterly	Contractor
	Quay 2 improvements: percent of works completed	Percent of total construction works completed on the Quay 2 improvements	%	Supervisory report	MCA-CV confirmation of supervisory firm progress reports as: (a) complete and accurate; and (b) work phases completed as per contract	Quarterly	Contractor
	Access Road: percent of works completed	Percent of total construction works completed on the Access Road	%	Supervisory report	MCA-CV confirmation of supervisory firm progress reports as: (a) complete and accurate; and (b) work phases completed as per contract	Quarterly	Contractor

Performance Tracking Table: Port of Praia Project - Phase I

Objective	Indicator	Annual Targets						
		Baseline	Year					Compact Total
			1	2	3	4	5	
Improve the Fixed Assets of the Port of Praia	Percent of contracted Port works disbursed (cumulative)	0.0%	0.0%	0.0%	8.8%	48.6%	100%	100%
	Percentage of works completed (cumulative) - Cargo Village	0%	0%	0%	0%	60%	100%	100%
	Percentage of works completed (cumulative) - Quay 2 Improvements	0%	0%	0%	3%	56%	100%	100%
	Percentage of works completed (cumulative) - Access Road	0%	0%	0%	0%	58%	100%	100%

Indicator Definition Table: Roads and Bridges Project

Objective	Indicators	Definition of Indicators	Units	Source	Methodology	Frequency of Data Reporting to MCC	Responsible Party
Increase Integration of the Internal Market and Reduce Transport Costs	Mobility ratio - "Percentage of beneficiary population who take at least 5 trips per month"	Percentage of beneficiary population who take at least 5 trips per month. Beneficiaries are those living within 2 kilometers of the road. Trips include trips to school, health centers, markets, workplace, and other locations as defined in the World Bank's socio-economic baseline survey. Trip frequency should be cross analyzed by vehicle type.	%	World Bank Socio-Economic Study	Socio-economic survey	Approximately 1 year after finishing each activity	MIT
	Travel time ratio – "Percentage of beneficiary population further than 30 minutes from a central or mini-market"	Percentage of beneficiary population who travel more than 30 minutes from central or mini market. Beneficiaries are those living within 2 kilometers of the road.	%	World Bank Socio-Economic Study	Socio-economic survey	Approximately 1 year after finishing each activity	MIT
	Savings on transport costs from upgraded roads and bridge improvements	The savings on vehicle operating costs are calculated using the RED model for roads (1) Orgãos-Pedra Badejo, (2) Cruz Grand-Calhetona, and (4) Assomada-Rincão. An alternative methodology is used for bridge construction, which estimates the benefit as recouping wages foregone by bridge closures.	2006 \$US million, exchange rate adjusted	World Bank Socio-Economic Study	Socio-economic survey	Approximately 1 year after finishing each activity	MIT

Indicator Definition Table: Roads and Bridges Project

Objective	Indicators	Definition of Indicators	Units	Source	Methodology	Frequency of Data Reporting to MCC	Responsible Party
Improve Rural Transport Network	Percent of contracted Santiago Roads works disbursed (cumulative)	Amount of contracted Roads works in Santiago disbursed to implementer divided by total value of Santiago Roads contracts signed.	%	MCA contractual agreements and supervisory reports.	Regular assessment of contracts, financial reports, and payment records.	Quarterly	MCA
	Percent of contracted Santo Antão Bridges works disbursed (cumulative)	Amount of contracted Bridges in Santo Antão (including Paul/Eito Road segment) disbursed to implementer divided by total value of Santo Antão Bridges contracts signed.	%	MCA contractual agreements and supervisory reports.	Regular assessment of contracts, financial reports, and payment records.	Quarterly	MCA
	Number of days per year that bridges are <u>not</u> passable	Estimated number of days per year that bridges are not passable	Number of days	World Bank Socio-Economic Study	Socio-economic survey / Special study	Approximately 1 year after finishing each activity	MIT
	Kilometers of roads rehabilitated	Total number of kilometers of road rehabilitated	km	Supervisory firm's final report	Confirmation by MCA-CV that the supervisory firm's final report is complete and accurate and all of the works have been completed by the construction firm as laid out in the contract.	After completion of the roads contract	MCA-CV

Performance Tracking Table: Roads and Bridges Project

Objective	Indicator	Baseline	Annual Targets					Compact Total
			Year 1	Year 2	Year 3	Year 4	Year 5	
Increase integration of internal markets and reduce transport costs	Mobility Ratio - "Percentage of beneficiary population who take at least 5 trips per month" (%)	52%	52%	52%	52%	52%	65%	NA**
	Travel Time Ratio - "Percentage of beneficiary population further than 30 minutes from nearest market" (%)	54%	54%	54%	54%	54%	48%	NA
	Savings on transport cost from upgraded roads and bridge improvements (\$ millions)	0.0	0.0	0.0	0.0	0.0	1.9	1.9
Improve rural transport network	Percent of contracted Santiago Roads works disbursed (cumulative)	0.0%	16.9%	23.4%	34.1%	84.3%	100%	100%
	Percent of contracted Santo Antão Bridges works disbursed (cumulative)	0.0%	0.0%	14.4 %	15.6%	90.9%	100%	100%
	Number of days per year that bridges are <u>not</u> passable (days)	8	8	8	8	0	0	NA**
	Kms. of upgraded / rehabilitated roads (km)	0	0	0	0	24	15.3	40

**Compact Total not applicable - indicator is a point in time value, not cumulative

Indicator Definition Table: Private Sector Development Project

Objectives	Indicators	Definition of Indicators	Units	Source	Methodology	Frequency of Data Reporting to MCC	Responsible Party
Increase Financial Intermediation	MFI Gross Loan portfolio	All outstanding principal for all outstanding client loans, including current, delinquent and restructured loans, but not loans that have been written off. Does not include interest receivable or employee loans.	Thousand \$ECV	Caixa Economica / MFI's quarterly Report	Quarterly reports	Quarterly	MCA / Contractor
	MFI Gross Loan portfolio, adjusted	Gross Loan portfolio adjusted 180 days	Thousand \$ECV	Caixa Economica / MFI's quarterly Report	Quarterly reports	Quarterly	MCA / Contractor
Decrease Risk	MFI Portfolio at Risk, adjusted	The value of all loans outstanding that have one or more installments of principal past due more than 30 days divided by the total Gross Loan Portfolio, adjusted 180 days	%	Caixa Economica / MFI's quarterly Report	Quarterly reports	Quarterly	MCA / Contractor
	MFI Recovery Rate, adjusted	Loan repayment rate (amount received / amount due), adjusted 180 days	%	Caixa Economica / MFI's quarterly Report	Quarterly reports	Quarterly	MCA / Contractor
Increase Overall Financial Performance	Ratio of MFIs Operationally Self-Sufficient	Number of MFIs out of all MFIs operating on their own after benefiting from MCA-CV Technical Assistance.	Ratio	Microfinance Contractor's report	Annual reports	Annually	MCA / Contractor
	Ratio of MFIs Financially Self-Sufficient	Number of MFIs out of all MFIs generating profit (net income) from micro-credit activities after benefiting from MCA-CV Technical Assistance.	Ratio	Microfinance Contractor's report	Annual reports	Annually	MCA / Contractor

Performance Tracking Table: Private Sector Development Project

Objective	Indicator	Baseline	Annual Targets					Compact Total
			1	2	3	4	5	
Increase Financial Intermediation	MFI Gross Loan portfolio	223,101	223,101	223,101	256,000	287,000	323,000	NA**
	MFI Gross Loan portfolio, adjusted	152,528	152,528	152,528	175,000	194,000	222,000	NA
Decrease Risk	MFI Portfolio at Risk, adjusted	16.00%	16%	16%	16%	16%	14%	NA
	MFI Recovery Rate, adjusted	84.00%	84%	84%	84%	84%	86%	NA
Increase Overall Financial Performance	Ratio of MFIs Operationally Self-Sufficient	2/8	2/8	2/8	2/8	2/8	4/8	NA
	Ratio of MFIs Financially Self-Sufficient	0/8	0/8	0/8	0/8	0/8	3/8	NA

**Compact Total not applicable - indicator is a point in time value, not cumulative

Attachment 4 – Monitoring & Evaluation Analyst Responsibilities

MONITORING AND EVALUATION ANALYST: The Monitoring and Evaluation Analyst will be responsible for the overall M&E system of the Program and implementation of related activities for each project, as well as providing timely and relevant information to all program stakeholders. This position reports to the Senior Economist of MCA-Cape Verde.

- Guide the set up of the M&E system and strategy, including data-collection, data-analysis and reporting systems, and oversee its effective implementation by implementing partners.
- Coordinate the design and the development of the M&E MIS system.
- Supervise data collection, including the design of surveys when needed, by implementing entities.
- Directly participate in the monitoring of each project through site visits, review of project reports and review of secondary data.
- Regularly review M&E data with appropriate decision makers to ensure that projects are reaching their objectives and, if changes are needed, that timely decisions on corrective actions are made and implemented.
- Ensure that MCA-CV maintains current comprehensive technical documentation of the baseline development and the methodologies used to calculate targets.
- Ensure that any modification or amendment of the M&E Plan is approved by MCC in writing, as per Compact Annex III Section 5 (d) regarding Modifications.
- Prepare periodic reports regarding program monitoring and evaluation for review by the Senior Economist that will be submitted to the Steering Committee, Stakeholders Group and MCC.
- Assist in the preparation of other periodic reports including, but not limited to, monitoring and evaluation reports, budgets, implementation reports from project managers and implementing entities, procurement reports, and others as defined in the implementation procedures.
- Ensure that the MCA-Cape Verde web page contains all up-to-date relevant reports for public access by the program stakeholders.
- Participate in the planning and execution of annual project reviews.
- Organize regular data quality reviews and oversee the process for selecting independent reviewers.
- Support the Senior Economist with the development of the evaluation plan and schedule.
- Develop terms of reference for procurement of evaluations and other studies related to the M&E process.
- Ensure that staff and implementing partners are receiving adequate support to be able to implement their M&E functions.
- Other tasks and responsibilities as requested by the Senior Economist.

Attachment 5 – Monitoring & Evaluation Assistant Duties and Responsibilities

The Monitoring and Evaluation (M&E) Assistant is responsible for the overall operation of the monitoring system within the Management Unit (MU) and to support the development of the implementations plans. He/she is also responsible for providing timely and relevant information to the Monitoring and Evaluation Specialist and the Senior Economist. This entails close communication with all involved in M&E implementation: M&E Analyst, Senior Economist, Project Managers and M&E staff within the Implementing Entities (IE). The M&E Assistant reports to the M&E Analyst and performs the following specific duties:

- In collaboration with the M&E analyst, coordinate the process for reporting on key performance indicators including comparison to targets. Design the format for such performance monitoring reports.
- Collaborate in updating the MCA Web site.
- Identify specific needs of primary data collection processes.
- Assist the M&E Analyst in the development and implementation of the Monitoring Plan.
- Assist the M&E Analyst in the design and the development of the M&E MIS system.
- Directly participate in the monitoring of each project through site visits, the review of project reports and the review of primary and secondary data.
- Permanently review the quality of data collected by implementing entity field monitors.
- Support the Procurement Manager and Project Managers in updating the Procurement Plan on Excel spreadsheets.
- Other tasks and responsibilities as requested by the M&E Analyst.

The M&E Assistant will provide on-going support to the Senior Economist and perform the following specific duties:

- Assist in the development of the individual project budget and work plans disaggregated at the project activity and sub-activity levels.
- Address specific budget implementation issues as assigned by the Senior Economist.
- Provide follow-up to for the implementation of the Fiscal Accountability Plan.
- Design Excel spreadsheets for submission of project work plans and detailed budgets for each implementing entity.
- Assist the Senior Economist in the measurement of the Program's macroeconomic impact, including sectoral growth and poverty analysis.
- Other tasks and responsibilities as requested by the Senior Economist.

Attachment 6 – Changes to the Original M&E Plan text dated April 14, 2006

Change	Section Number	Section Title	Nature of Change(s)	Reason for change
1.	2	Summary of the Program and Objectives: The Infrastructure Project	Project description changed from rehabilitation of 5 roads to rehabilitation of 3 roads.	Compact restructuring
2.	2	Summary of the Program and Objectives: Private Sector Development Project	Description of “Partnership to Mobilize Investment” deleted.	Reflect change in Compact scope.
3.	2	Summary of the Program and Objectives: Expected Impact	Identification of M&E analysis changed to five levels from three levels.	Reflection of new MCC monitoring guidelines and addition of Process Milestone indicators
4.	2	Summary of the Program and Objectives: Figure 1	Removal of ‘Improved Environment for Business Development in Priority Sectors’ from the Compact Results Chain.	Reflect change in Compact scope.
5.	2	Summary of the Program and Objectives: Table 1	<ul style="list-style-type: none"> a. Increase in annual income changed from \$10 million and \$22.3 million to \$6.9 million and \$27.1 million in Years 5 and 10, respectively. b. Increase in income from WMAS project changed from \$1.5 million and \$1.5 million to \$0.7 million and 2.0 million in Years 5 and 10, respectively. c. Increase in income from Port Activity changed from \$5.4 million and \$16.7 million to \$4.1 million and \$21.9 million in Years 5 and 10, respectively. d. Increase in income from the Partnership to Mobilize Investment Activity deleted. 	<ul style="list-style-type: none"> a. Update of Compact ERRs b. Update of WMAS ERR. c. Use of updated ERR methodology. d. Reflects changes in Compact scope.
6.	2	Summary of the Program and Objectives: Program Beneficiaries, Table 2 and Table 3.	Beneficiary numbers updated in Tables 2 and 3 for WMAS and Roads Projects, respectively, and in the accompanying text.	Reflect updated Project activities and national statistics.
7.	2	Summary of the Program and Objectives: Infrastructure	Text added to explain why MCC will only be funding Phase I of the Project.	

		Development Project		
8.	3	Monitoring Component	Removal of Project level monthly M&E plan requirement	Over-burdensome reporting and planning.
9.	3	Monitoring Component: Indicators	Mention of Process Milestone indicators' addition	Reflect new reporting requirement
10.	3	Monitoring Component: Pending Baselines and Targets, Table 4	<ul style="list-style-type: none"> a. Number of crop-cycles removed. b. Targets needed for on-time repayment rate (farmers) and volume of new loans disbursed for drip irrigation. c. Aquifer level removed. d. Value-added, Volume of private investments, and Volume of public-investments above current trends removed. 	<ul style="list-style-type: none"> a. Baseline and targets established for number of crop cycles. b. Updated definitions require updated targets c. No longer an indicator; baseline or targets unnecessary d. No longer indicators; baseline and targets unnecessary
11.	3	Monitoring Component: Disaggregation of Data, Table 5	Indicators in table updated	Reflections indicator updates and disaggregation needs.
12.	3	Monitoring Component: Data Quality Reviews	Second data quality review moved from Q12 to Q16	Maximize the data reviewed under the 2 nd Data Quality Review
13.	3	Monitoring Component: Standard Reporting Requirements	<ul style="list-style-type: none"> a. Mid-term review eliminated b. Updated language on Performance Reporting 	<ul style="list-style-type: none"> a. Management removed because Portfolio reviews have been sufficient. b. Reflects updated MCC policy.
14.	3	Monitoring Component: Linking Disbursements to Performance, Table 6	Linking Disbursements to Performance Section and Accompanying table (Table 6 in original version) removed.	Reflects managerial decision.
15.	4	Evaluation Component: Watershed Project Impact Evaluation	<ul style="list-style-type: none"> a. Control Group language updated; b. Selection method language refined; c. Methodology section discussing bias updated. 	Reflects new thinking on methodology.
16.	4	Evaluation Component: Roads and Bridges Impact Evaluation	<ul style="list-style-type: none"> a. Treatment group language updated; b. Control group language updated; c. Figure 2 added to clarify methodology; d. Methodology updated. 	Reflects new thinking on methodology.

17.	4	Evaluation Component: Port Impact Evaluation	a. Interim data collection process updated; b. Final data collection process updated;	Reflects new methodology.
18.	4	Evaluation Component: Private Sector Development Project	Description of evaluation plan updated.	Reflects changes in Project scope.
19.	5	Economic Analysis, Assumptions, and Risks: Economic Analysis, Table 7	a. Agricultural Project ERR updated from 10% to a range of 3% to 13%. b. Port activity ERR updated from 23% to 29% along with corresponding text. c. Footnotes added for Port ERR	Updated methodology
20.	5	Economic Analysis, Assumptions, and Risks: Assumptions and Risks, Table 8	Table updated for every Project.	Reflects changes in risks since start of implementation.
21.	6	Implementation and Management of M&E: Coordination of M&E Gathering	Figure 3 added, which represents roles and responsibilities for the Watershed Project's reporting.	Increase clarity around the WMAS data collection process.
22.	6	Implementation and Management of M&E: Coordination of M&E Gathering	Updated M&E Gathering Structure Figure	Reflects new responsibilities for PSD project data gathering and reporting.
23.	7	Budget	Total budget reduced from \$4.9 million to \$3.5 million.	Result of Management's re-budgeting exercise in the face of administrative funding constraints. Main reductions were for special studies.

Attachment 7 – Changes to the Original M&E Plan Indicator Tables dated April 14, 2006**Process Indicators**

1.	Indicator	Signature of IEA with CSCC (Conselho Superior de Câmaras de Comércio)
	Date	9/27/2008
	Project / Objective	Private Sector Development
	Activity	Credit Bureau
	Original Indicator	NA: New indicator
	Justification	Process Milestone; Contract enters into effect
2.	Indicator	Tender Documents Approved and Issued
	Date	9/27/2008
	Project / Objective	Private Sector Development
	Activity	Credit Bureau
	Original Indicator	NA: New indicator
	Justification	Process Milestone; Establishes Credit Bureau
3.	Indicator	MCA-CV Approves Institutional Development Plans
	Date	9/27/2008
	Project / Objective	Private Sector Development
	Activity	Development of MFIs
	Original Indicator	NA: New indicator
	Justification	Process Milestone; Definition of actions, trainings, and activities for MFIs to be completed

4.	Indicator	MCA-CV accepts Quarter 7 Progress Report
	Date	9/27/2008
	Project / Objective	Private Sector Development
	Activity	Development of MFIs
	Original Indicator	NA: New indicator
	Modification	None
Justification	Process Milestone; Successful Achievement of project goals for pre-selected MFIs	
5.	Indicator	Legislation modified permitting sale of securities to individuals
	Date	9/27/2008
	Project / Objective	Private Sector Development
	Activity	Government Securities
	Original Indicator	NA: New indicator
	Modification	None
Justification	Process Milestone; Expands Access to the primary market	
6.	Indicator	New auction process approved by Ministry of Finance
	Date	9/27/2008
	Project / Objective	Private Sector Development
	Activity	Government Securities
	Original Indicator	NA: New indicator
	Modification	None
Justification	Process Milestone; Improves the market's operational environment.	
7.	Indicator	Government approves new water pricing policy
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Sustainable Watershed Management
	Original Indicator	NA: New indicator
	Modification	None
Justification	Process Milestone; Unit consumption charge established for irrigation use.	

8.	Indicator	Completion and equipping of rural extension centers in all 3 watersheds
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Increase productive capacity
	Original Indicator	NA: New indicator
	Justification	Process Milestone; Technical assistance available to Islands' farmers
9.	Indicator	Construct and equip packing and conservation service centers in all 3 watersheds
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Increase Marketing of Agricultural Products
	Original Indicator	NA: New indicator
	Justification	Process Milestone; Agricultural Marketing Services available to Islands' farmers
10.	Indicator	All compromise agreements signed for Road 1
	Date	9/27/2008
	Project / Objective	Roads Rehabilitation
	Activity	Road 1
	Original Indicator	NA: New indicator
	Justification	Process Milestone; Allows construction for road 1 to begin.
11.	Indicator	All compromise agreements signed or Expropriation process completed for Road 2.
	Date	9/27/2008
	Project / Objective	Roads Rehabilitation
	Activity	Road 2
	Original Indicator	NA: New indicator
	Justification	Process Milestone; Allows construction for Road 2 to begin.

12.	Indicator	Contract for Phase 1 Works Signed
	Date	9/27/2008
	Project / Objective	Port of Praia
	Activity	Phase 1
	Original Indicator	NA: New indicator
	Modification	None
	Justification	Process Milestone; Engineering construction firm officially contracted to complete Phase 1.

13.	Indicator	BCEOM Submits Final Design for Phase II Works
	Date	9/27/2008
	Project / Objective	Port of Praia
	Activity	Phase I
	Original Indicator	NA: New indicator
	Modification	None
	Justification	Process Milestone; Phase II designs and MCA obligation for Phase II complete.

14.	Indicator	Site Installation Complete
	Date	9/27/2008
	Project / Objective	Port of Praia
	Activity	Phase I
	Original Indicator	NA: New indicator
	Modification	None
	Justification	Process Milestone; Prepares Phase I works to begin.

Watershed Management and Agriculture Support Project

1.	Indicator	Volume of available water
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Sustainable Watershed Management
	Original Indicator	Volume of available water
	Modification	Baseline and targets updated
	Justification	NA: New indicator definition
2.	Indicator	Tons of solid material retained through soil conservation infrastructure
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Sustainable Watershed Management
	Original Indicator	NA: New indicator
	Modification	NA
	Justification	More precisely measures the Project's ultimate goal – retaining soil to allow for higher agricultural productivity
3.	Indicator	Productivity
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Increase Agricultural Productivity in the Intervention Areas
	Original Indicator	Productivity
	Modification	Baseline and targets updated
	Justification	Updated and improved methodology
4.	Indicator	Value added for farms
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Increase Agricultural Productivity in the Intervention Areas
	Original Indicator	Value added for farms and agribusinesses
	Modification	Indicator now includes VA only for farms. Baselines and targets updated.
	Justification	More precise definition

5.	Indicator	Number of crop cycles
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Increase Agricultural Productivity in the Intervention Areas
	Original Indicator	Number of crop cycles
	Modification	Baseline and targets updated
	Justification	New water availability figures
6.	Indicator	Number of farmers adopting drip irrigation
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Increase Productive Capacity
	Original Indicator	Adoption rate of drip irrigation
	Modification	Definition changed. Baseline and targets updated as a result.
	Justification	Changed from a rate to an absolute number, which is more precise.
7.	Indicator	Area irrigated with drip irrigation
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Increase Productive Capacity
	Original Indicator	Area irrigated with drip irrigation
	Modification	Baseline and targets updated
	Justification	To reflect project changes
8.	Indicator	Number of crop cycles
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Increase Agricultural Productivity in the Intervention Areas
	Original Indicator	Number of crop cycles
	Modification	Baseline and targets updated
	Justification	New water availability figures

9.	Indicator	Reservoirs constructed
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Increase Productive Capacity
	Original Indicator	Reservoirs constructed
	Modification	Targets updated
Justification	To reflect project changes as a result of groundwater availability and rising construction costs.	
10.	Indicator	Number of farmers that have completed training in 3 of 5 core agricultural disciplines
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Increase Productive Capacity
	Original Indicator	Number of farmers trained in drip irrigation
	Modification	Definition changed. Targets updated
Justification	To reflect changes in training program	
11.	Indicator	Number of agribusinesses
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Increase Marketing of Agricultural Products
	Original Indicator	Number of agribusinesses
	Modification	Indicator eliminated
Justification	Change in project scope	
12.	Indicator	Sales revenue of agribusiness
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Increase Marketing of Agricultural Products
	Original Indicator	Sales revenue of agribusiness
	Modification	Indicator eliminated
Justification	Change in project scope	

13.	Indicator	Volume of new loans disbursed for agricultural production
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Increase Financial Capacity of Participants
	Original Indicator	Volume of new loans disbursed by sector
	Modification	Definition refined. Targets eliminated and changed to TBD
Justification	More precise definition. Awaiting updated target data from MFIs	
14.	Indicator	On-time repayment rate for agricultural production loans
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Increase Financial Capacity of Participants
	Original Indicator	Default rate
	Modification	Definition changed. Baseline and targets updated
Justification	To meet international micro-finance monitoring standards.	
15.	Indicator	Aquifer level
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Sustainable watershed management
	Original Indicator	Aquifer level
	Modification	Indicator eliminated
Justification	Wells and groundwater no longer a principal component of WMAS.	
16.	Indicator	Torrential dikes constructed
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Sustainable Watershed Management
	Original Indicator	Torrential dikes constructed
	Modification	Indicator eliminated
Justification	Output captured in indicator "Tons of solid material retained by soil conservation infrastructure".	

17.	Indicator	Volume of new loans disbursed to agribusinesses
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Increase Financial Capacity of Participants
	Original Indicator	Volume of new loans disbursed to agribusinesses
	Modification	Indicator eliminated
	Justification	Indicator too difficult to monitor effectively.

18.	Indicator	Percent of contracted irrigation works disbursed
	Date	9/27/2008
	Project / Objective	WMAS
	Activity	Increase Productive Capacity
	Original Indicator	NA: New indicator
	Modification	NA
	Justification	New MCC standard reporting requirement.

Port of Praia Indicators

1.	Indicators	<ol style="list-style-type: none"> 1. Volume of goods shipped between Praia and other islands. 2. Tons of general cargo handled per hour 3. Containers handled per hour 4. Tons per year 5. Containers per year 6. Waiting time for container ships 7. Berth occupancy time for container ships 8. Percentage of works completed – Detached breakwater 9. Percentage of works completed – Demolition 10. Percentage of works completed – New Container Yard 11. Percentage of works completed – Warf
	Date	9/27/2008
	Project / Objective	Port of Praia
	Activity	Phase II
	Original Indicator	Same as above
	Modification	Indicators eliminated
	Justification	Phase II of project eliminated in restructuring

2.	Indicator	1. Percentage of works completed – Cargo Village 2. Percentage of works completed – Quay 2 Improvements 3. Percentage of works completed – Access Road
	Date	9/27/2008
	Project / Objective	Port of Praia
	Activity	Phase I
	Original Indicator	Same as above
	Modification	Each phase's baseline and targets established.
	Justification	More rigorous performance monitoring of activities
3.	Indicator	Percent of contracted Port works disbursed
	Date	9/27/2008
	Project / Objective	Port of Praia
	Activity	Phase I
	Original Indicator	NA: New Indicator
	Modification	NA
	Justification	New MCC standard reporting requirement

Roads Indicators

1.	Indicator	Percentage of rehabilitation work phases completed for: 1. Road 1 2. Road 2 3. Road 4 4. Bridge Ribeira Grande 5. Bridge Ribeira Torre 6. Bridge Paul A 7. Bridge Paul B 8. Road Paul/Eito
	Date	9/27/2008
	Project / Objective	Roads and Bridges Project
	Activity	Improve rural transport network
	Original Indicator	Same as above
	Modification	Definition changed to focus on disbursements on construction contracts separately for Santiago Roads and Santo Antao Bridges.
	Justification	Meets standard reporting requirements across MCC Compacts

Private Sector Development

1.	Indicator	1. Value added in priority sectors above current trends 2. Volume of private investment in priority sectors above current trends 3. Volume of public investment in priority sectors above current trends
	Date	9/27/2008
	Project / Objective	Private Sector Development Project
	Activity	Develop Private Sector
	Original Indicator	Same as above
	Modification	Indicators eliminated.
	Justification	Activity eliminated from PSD Project
2.	Indicator	1. MFI Gross Loan portfolio 2. MFI Gross Loan portfolio, adjusted 3. MFI Portfolio at risk, adjusted 4. MFI Recovery rate, adjusted 5. Ratio of MFIs Operationally Self-Sufficient 6. Ratio of MFI's Financially Self-Sufficient
	Date	9/27/2008
	Project / Objective	Private Sector Development Project
	Activity	Increase Financial Intermediation
	Original Indicator	Volume of deposits in micro-finance institutions as % of total deposits
	Modification	Replace indicator with a set of more rigorous indicators; establish baseline and targets.
	Justification	To meet international micro-finance monitoring standards.