

profile

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Madagascar Country Programme Evaluation

After a very modest performance from the 1970s until the mid-1990s, Madagascar's economy experienced major growth between the late 1990s and 2008. However, the political crisis of 2009 brought about a sharp reduction in international aid and a recession. The prevalence of poverty in the country increased from 70 per cent in 1993 to 76.5 per cent in 2010, with 82.2 per cent in rural zones. During the crisis period, IFAD was the only one of the main donors in the agricultural sector not to suspend its cooperation with the country. Madagascar has the advantages of considerable natural capital and high-potential agricultural value chains (for example vanilla, cloves, pepper and lychees), not to mention livestock production and fisheries. However, rural development has to cope with natural resource degradation and insecurity of land tenure.

Since starting operations in Madagascar in 1979, IFAD has financed 14 projects in the country for a total cost of US\$515 million, US\$175 million (34 per cent) of which was in IFAD loans on highly-concessional terms. The Malagasy State's contribution has been 18 per cent of the costs, while cofinancing has been 46 per cent.



A woman sells peppers in a village supported by the Rural Income Promotion Programme.

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This profile summarizes the main results of the country programme evaluation conducted in Madagascar by IFAD's Independent Office of Evaluation in 2012. It covers the period 2000–2012, the 2000 and 2006 country strategic opportunities programmes (COSOPs), six loans and seven grants. The main

objectives of the evaluation were to assess the performance of the programme and the impact of IFAD's operations in Madagascar, and also to lay the groundwork for preparation of a new strategic programme, to be approved by IFAD and the Government of Madagascar at the conclusion of the evaluation process.

Main evaluation findings

The portfolio of projects has been pertinent and highly effective in its support to agricultural production, especially in introducing improved crop management techniques (with excellent results for rice, maize, cassava and potato) and irrigation schemes. Support to increasing the security of land tenure through certification has constituted a major effort, especially in a period when donors were withdrawing. Encouraging results in the sphere of rural enterprises are an example of diversification of income sources in zones where farms are too small to ensure their economic viability. When they are involved with processing or packaging agricultural produce, rural enterprises can contribute to adding value to the agricultural production.

The two most recent projects concerned with the professionalization of farmers' organizations and the boosting of agricultural training are in line with national policies. However, certain risks were observed: the design of these projects is very complicated and the envisaged articulation of the components difficult to understand. Their design is sometimes based on expectations of collaboration among very diverse and different stakeholders, for example farmers' organizations, chambers of agriculture, NGOs and decentralized technical services which cannot be taken for granted.

With regard to the impact on rural poverty, the most notable elements are increases in household income, the boosting of social capital and improvements in agricultural productivity and food security. The portfolio of projects has also contributed to positive impacts regarding institutions and policies, for example in improving security of land tenure. On the other hand, it has focused less on challenges regarding the environment, sustainable natural resource management and climate change.

Although progress made by the portfolio is considerable, it is vulnerable to political, institutional and climate-related threats. Some projects have launched a reflection on how to ensure the permanence of benefits, holding consultation workshops with partners. A new phase of selective investments and support to consolidate and ensure sustainability seems necessary for projects that are to end in the near future. However, this has not yet been anticipated by IFAD and its partners.

Non-lending activities (partnership development, knowledge management and public policy dialogue) have received sufficient attention and achieved satisfactory results. IFAD and the Government have developed a partnership and working relations at national, regional and local levels, and these helped to avoid the collapse of the agricultural sector during the recent political crisis.

IFAD and its partners have implemented some excellent initiatives regarding the communication and capitalization of experience gained under projects (preparation of brochures, video documentaries, two books, websites). IFAD and the Ministry of Agriculture have set up a computerized knowledge management platform, so that the indicators of projects can be cross-referenced with those of the COSOP logical framework, thus facilitating monitoring and evaluation and data analysis.

The crisis situation since 2009 has led to a reduction in official consultations between donors and the national counterpart. However, IFAD has made major efforts to provide information on the practical experience of projects regarding security of land tenure and the development of rural enterprises in order to contribute to national policy dialogue.

With regard to the evolution of IFAD's strategy (COSOP), between 2000 and 2012 there was a shift from multi-component projects with a limited geographical scope toward interventions with a broader geographical scope (covering several regions) that are more subsector-specific. Increasingly marked attention is also being paid to supporting capacity-building for public and semi-public institutions. The 2006 COSOP stressed the important issue of collaboration with private enterprises in the development of agricultural value chains (processing and marketing) in order to increase the value of production.

The effectiveness of the strategy of cooperation between the Government and IFAD has been satisfactory overall, especially with regard to the two objectives of the COSOP: (i) to improve risk management and reduce the vulnerability of the rural poor; and (ii) to improve the income of the rural poor through the diversification of agricultural activities and the promotion of rural entrepreneurship.

Key recommendations

- **Foster decentralization and devolution** by supporting the regional structures established by national agricultural policies and developing partnerships with rural communities in order to boost their capacity to assume responsibility.
- **Support the diffusion of improved agricultural techniques**, which is a national priority in view of the low productivity of Malagasy agriculture, and continue the development of agricultural value chains, focusing more on contract farming approaches and involving private entrepreneurs from the project formulation phase onwards.
- **Better integrate into the country strategy the issue of environmental protection and adaptation to climate change** by:
(i) establishing a strategic partnership with the ministry in charge of the environment;
(ii) stepping up coordination with donors involved in watershed area development and management; and (iii) scaling up certain innovative initiatives (for example the sustainable development of bamboo products for craftwork and building).
- **Set the long-term sustainability of benefits at the heart of the programme.** Projects have tended to take off slowly and then speed up during the final two or three years of implementation. It is vital to anticipate a consolidation phase after the first phase of these projects, to be financed by investments from IFAD and other partners on a selective basis.

MADAGASCAR AT A GLANCE

Population: **21.9 million (mid-2012)**

Population growth rate: **2.8% (2012)**

Rate of real-term annual growth in GDP: **2.7% (2006-2011)**

Prevalence of poverty: **76.5% overall and 82.2% in rural areas (2010)**

Proportion of agricultural GDP in total GDP: **29.1% (2009)**

Life expectancy at birth: **67 years, with 68 years for women (2011)**

Human development index: **0.480 (2011) - classified as a low level of human development**

Volume of IFAD loans 1979-2013: **US\$175 million**

Sources: World Bank, *2012 World Development Report*; UNDP, *2012 Human Development Report*; Population Reference Bureau, *2012 World Population Data Sheet*.

Further information:

Republic of Madagascar, Country Programme Evaluation, Report N° 3159-MG, October 2013, ISBN 978-92-9072-433-9, Independent Office of Evaluation of IFAD, Via Paolo di Dono, 44, 00142 Rome, Italy. The full report, Profile and Insights in English and in French are available online at www.ifad.org/evaluation; e-mail: evaluation@ifad.org.