



UNITED STATES  
DEPARTMENT OF STATE



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## MADAGASCAR

# U.S. FOREIGN ASSISTANCE PERFORMANCE PUBLICATION Fiscal Year 2009

### **FY 2009 FOREIGN ASSISTANCE GOALS**

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The March 2009 military coup and continued political turmoil resulted in the suspension of all United States assistance to the Government of Madagascar, and suspension of non-humanitarian United States Government (USG) programs in peace and security, democracy and governance, education, health, and environment in July 2009. It has also greatly challenged the implementation of continuing programs in health and food security. The political crisis has devastated Madagascar's economy, strained the island's unique biodiversity, and disrupted health services and the education system. Gross domestic product growth, initially estimated at 7 percent for the year 2009, is now forecast to fall between negative-0.5 percent and 1 percent. The crisis has had a severe impact on food security, particularly for people living in areas of the south that have been affected by recurrent, severe drought. Also increasingly affected by food insecurity are urban poor living in the capital and major towns. The crisis has deepened poverty and increased the burden on the country's unique environment. Illegal logging threatens not only the long-term prospects for sustainable development in Madagascar, but also, given the uniqueness of Madagascar's flora, a global heritage.

Even before the crisis, Madagascar was one of the world's poorest countries, with a per capita gross national income of \$410. Poverty is widespread—68 percent of the population living on less than \$1 a day—and nearly 30 percent of the population is illiterate. While infant and child mortality have been reduced, the maternal mortality rate remains high, and life expectancy is 61 years. A population growth rate of 2.7 percent makes it difficult to keep up with increasing demand for access to social services. The country continues to face tremendous challenges to achieving goals for democracy, reducing poverty, and enhancing the quality of life of its people.

On balance, FY 2009 was a difficult year for implementing foreign assistance programs, but while many targets and benchmarks were not met, there have also been successes. The USG will continue a focus on life-saving, humanitarian programs and promoting a rapid return to constitutional rule.

## HIGHLIGHTS BY PROGRAM OBJECTIVE

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### **Peace and Security**

During the first quarter of FY 2009, the Stabilization Operations and Security Sector Reform program continued to engage successfully with the Malagasy military through in-country Mobile Training Teams. Areas that the USG focused on most were rural security, border security, and disaster response. Due to the suspension of assistance in March 2009, the International Military Education and Training program was able to provide training to only 25 Malagasy military instead of the projected 140.

### **Governing Justly and Democratically**

Events of the year leading up to and since the March military coup have highlighted the fragility of Madagascar's democracy and its governing institutions. Prior to the suspension of democracy and governance assistance, programming emphasized strengthening local government institutions, empowering civil society, and fighting corruption. Work with local government institutions focused on improving operations, capacity, and service delivery at the district, commune, and village level to ensure effective management of natural resources, protect Madagascar's fragile biodiversity and forests, improve agricultural production, and maximize public health gains. The USG aligned its approach with an initiative to support decentralized government with assistance to Communal Support Centers that provide training and advice on local development for local authorities and citizens living in the area. In a program that benefitted 13,000 people living in 14 different communes, local authorities received training in management, tax recovery, and other skills that will make them effective in their jobs and more responsive to community needs. The USG also supported devolution of rights and responsibilities to local community management groups charged with co-managing nearly 900,000 hectares of Madagascar's most biodiverse lands.

Efforts to combat pervasive corruption supported the national Independent Anticorruption Bureau, in its role as the leading anticorruption institution in the country. Training and other resources helped this organization become more efficient in processing corruption complaints and raising awareness within the community. The rate of processing corruption complaints increased to 89 percent in 2009 compared to 60 percent in 2008, while the number of cases received and investigated increased by almost 30 percent. Community outreach focused on a variety of community members, particularly students, some of whom were trained in investigative journalism, and applied their skills in individual investigations.

Corruption in forestry management was also targeted under the program, with a focus on two priority geographic zones where illegal logging is particularly destructive, due to abundance of valuable tree species. Since the coup, illegal logging has accelerated at an alarming pace and has drawn international attention. U.S. assistance in this sector has been suspended; however, a vibrant civil society movement has emerged which is demanding accountability from the current transition government to fight against the plunder of natural resources, including valuable timber and endangered animal species.

### **Investing in People**

#### **Health**

Over the last five years, USG investments in Madagascar's health system, particularly at the community level, have contributed to tremendous improvements in health status. Preliminary 2008-09 Demographic and Health Survey (DHS) results have shown significant reductions in infant and child mortality. Infant deaths decreased from 59 per thousand recorded in the 2003-04 DHS to 48 per thousand. Child deaths decreased from 92 to 72 per thousand live births. Modern

contraceptive prevalence, crucial to ensuring safe pregnancies and the protection of mothers and children, has increased from 18 percent to 29 percent. These results place Madagascar among the leading African countries achieving significant gains in improving maternal and child health.

The USAID health program in Madagascar uses an integrated approach that combines foreign assistance cash resources as well as food aid to target many of Madagascar's poorest, most remote communities. Program interventions aim primarily at protecting maternal and child health and promoting family planning, with a focus on malaria prevention and treatment, improving nutrition, managing common childhood illnesses, and reducing incidence of diseases arising from lack of access to safe drinking water or adequate sanitation. The program also includes interventions to protect reproductive health and prevent transmission of sexually transmitted infections, including HIV. While the target group includes both women and men of reproductive age, especially youth, particular emphasis is placed on preventing transmission within high-risk groups.

The suspension of assistance to the Government of Madagascar following the military coup led to termination of programs with several key partners in the health program. At the same time, diminished support from other donors and frequent changes in national level leadership over the past several months have greatly affected FY 2009 results. The World Bank, the largest multilateral donor, suspended its health program, and the United Nations system has reduced direct assistance to the government. As the political crisis continues and significant donor programs do not resume, there is growing concern that Madagascar's impressive gains in health will begin to reverse.

Implementation of USG programs was significantly slowed during the second and third quarter of FY 2009, as resources which had previously been programmed toward strengthening the public health system at all levels (national, regional, district, and community) were eliminated or reprogrammed. Other programs were required to close down altogether. In addition, security concerns greatly limited partners' abilities to implement ongoing activities between January and June. This resulted in the failure to meet many of the FY 2009 targets.

Despite the reductions in FY 2009 funding, the USG remained the largest bilateral donor in health and was able to accomplish significant results, particularly in strengthening health services at the community level and implementing the President's Malaria Initiative. In FY 2009, USAID supported 4,000 community health workers, distributed 388,000 long-lasting insecticide-treated bednets, protected 1.13 million people through indoor residual spraying, and provided 2.2 billion liters of clean drinking water.

### **Education**

Madagascar began an ambitious education reform program in 2003 with the goal of creating a world-class education system, which is essential to achieving rapid economic development. A rapidly growing primary school-age population, a relatively untrained, unskilled teaching force, and insufficient classroom space have posed huge challenges. Madagascar's Education for All (EFA) program addressed these constraints and included ambitious primary education reforms that won the confidence of donors, who approved an \$85.1-million Fast-Track Initiative in June 2008 to implement EFA for three years (2009-11).

USG education programs contributed to improving the performance of teachers and the effectiveness of school governance through strengthened parent-teacher associations. Among the most significant challenges within the education sector were providing educational opportunities to a predominantly rural population who often live in difficult to reach areas, and working to build the skills of Madagascar's teachers. Prior to the suspension, U.S. assistance was provided through two projects. One focused on in-service teacher training and development of interactive radio

instruction programs and accompanying materials that were directed at teachers and students. Efforts also focused on training for community members to encourage their involvement in schools and children's education. The USG also provided assistance under the Ambassador's Girls' Scholarship program that supported 1,150 scholarship recipients, of whom 150 were boys. The USG education program was among those most adversely affected during FY 2009 implementation. During the first quarter of FY 2009, implementation advanced on schedule with plans for development of radio broadcast and print materials to assist with teacher training and community awareness and involvement in schools. By January 2009, initial broadcasts for sixth grade students in pilot areas had begun. However, civil unrest in Antananarivo, Madagascar's capital city, during the months of January through March affected normal office operations. By March 2009, the USG had suspended non-humanitarian assistance to the regime that took power. Project activities were suspended in April, and the project was closed in July 2009. The Ambassador's Girls' Scholarship program was also terminated in July 2009. The USG was among the donors that suspended assistance funding for education, but the USG has continued to participate in the donor working group that closely monitors the effects of Madagascar's political and economic crisis on the education system. Many children in urban schools were deeply affected by the trauma of witnessing or being recruited to participate in violent street actions. There have been growing concerns about the ability of the transition government to provide continued adequate funding, particularly its ability to pay teacher salaries. In November 2009, the donor community submitted a proposal to the World Bank Fast Track Secretariat to allot \$15 million of the original \$85 million in Catalytic Funds to meet emergency needs in education under the administration of United Nations Children's Fund. These funds will finance emergency needs for the first two quarters of calendar year 2010, including payment of community contract teacher salaries, completion of priority school construction projects in underserved communities, and making funds available to communities for school improvement projects. Donor concerns have focused most heavily on indications that families are facing increasing financial strains and are unable to maintain all of their children in school.

## **Economic Growth**

### ***Infrastructure and Agriculture***

In May 2009, USAID launched a new five-year humanitarian food aid program that will improve the capacity of the agricultural sector, build infrastructure, and help communities to build resilience in facing recurrent natural disasters by providing training on disaster mitigation and preparedness plans. The previous five-year program closed out during this fiscal year, but was able to achieve significant results despite the political crisis.

Rural farm-to-market rehabilitation of secondary roads is supported with USAID food aid resources, and is linked directly with other program areas in environment, agriculture, and health. Improved rural roads expand economic opportunities for local farmers and stimulate income, trade, and household economic productivity in previously isolated areas. Road rehabilitation facilitates access to health facilities and service providers. In FY 2009, activities to extend infrastructure focused particularly on rehabilitating rural roads and footpaths in some of the most remote areas of the country. Despite the political crisis, the program achieved its annual targets. Through a decentralization process, management responsibility for rehabilitated roads and maintenance of basic infrastructure was devolved from local authorities to user associations. Over 141 kilometers of rural roads were rehabilitated with benefits to over 23,900 rural dwellers.

Lack of adequate infrastructure is a significant constraint to Madagascar's development and one that has been addressed by major donors, including the European Union, World Bank, and the African Development Bank. These donors have focused more on construction and rehabilitation of primary

road systems and most programs have been suspended. USG efforts in this area will continue under the USAID-managed five-year food security program that began in May 2009.

Agriculture was a major component of the FY 2009 USAID food security program, and also of the biodiversity program that focused on alternatives to unsustainable exploitation of protected areas. The focus was on improving production using environmentally friendly techniques, addressing food security needs for the most vulnerable populations, and mitigating threats to biodiversity. Activities centered on strengthening local community management or producer groups and reinforcing farmer capacities to organize, produce, and market goods beyond the closeout of this five-year activity in FY 2009. Nearly 60,000 households benefitted from improved agricultural production and increased food security. These families, mostly surviving on less than \$200 per year, are better able to cope with shocks through more diversified livelihood alternatives, increased yields, protected watersheds, and improved water irrigation systems. Program successes included increased yields of staple crops such as rice and increased household incomes by an average of 8 to 10 percent.

### **Environment**

The USG environment program helps to protect Madagascar's unique natural wildlife, habitats, and plants while enhancing the well-being of people dependent on those resources. During FY 2009, the program was in closeout phase, with activities aimed at consolidating the capacity of community-based organizations adequately to exercise the rights and authorities delegated to them to manage protected areas. USG interventions helped to ensure that local communities had adequate technical, financial, and managerial skills effectively to co-manage nearly 1.2 million hectares of newly created protected areas. Another program captured lessons learned to inform the design and launch of a new five-year program. As a result of the coup and subsequent USG sanctions, the environment program was suspended, as were environment programs managed by other major donors, including the World Bank and the United Nations Development Program.

Despite significant achievements made in creating protected areas and building community capacity to manage them, renewed threats to conserving Madagascar's biodiversity emerged during the political crisis that could undo decades of donor investments in environmental protection. Deterioration in rule of law and economic conditions has led to unprecedented levels of illegal logging and trade in protected species. There is a real threat of irreparable destruction of forests and loss of biodiversity. USG programs had also included complementary agricultural activities aimed at increasing household food security and income and contributing to decreased slash-and-burn of healthy forests. As the crises continued, there were growing concerns that gains in discouraging slash-and-burn could be reversed. The USG owes much of the success in environmental protection in Madagascar over the past decade to the investments made working with communities. Training and technical assistance have helped communities to adopt governance structures and acquire management and advocacy skills, which will help them become effective in managing and conserving Madagascar's fragile biodiversity and advocating with the government to ensure that the productivity of the land and their livelihoods is sustained. An unexpected dividend of this investment has been the rise of a nascent civil society movement that has spoken out strongly against illegal logging.