

PD-ABT-094
1079416



Participation and Poverty

RARY

United States Agency for International Development
Cooperative Agreement No.
687-A-00-96-00138-00

Final Report
October 1996 to February 2000
and
Eight Month Report
August 1999 to February 2000

Submitted by:

Pact
1901 Pennsylvania Ave., NW, Suite 501
Washington, D.C. 20006

Project Title: Participation and Poverty (RARY)

Country: Republic of Madagascar

Lead Institution: Pact
Washington, D.C.

**Cooperative
Agreement Dated:** July 1, 1996

PACD: December 31, 1999

**U.S.A.I.D. Cooperative
Agreement Number:** 687-A-00-96-00138-00

Table of Contents

List of acronyms	5
I. Project Overview	6
II. Situation in January 1997	7
II.A Civil society and the media	7
II.B Management of services	8
II.C Dynamics between the city and civil society	8
III. Activities undertaken	9
III.A Approach	9
III.B Activities	10
III.B.1 Public interest issues resolution	10
III.B.2 Institutionalization	16
III.B.3 Civil society development	18
IV. Overall project impact	21
V. Project performance	23
VI. Lessons learned	25
VI.A General observations	25

VI.A.1 Initiating change	25
VI.A.2 Engines of change	27
VI.A.3 Engines and destinations	28
VI.B. Governance as an integral part of the development process	28
VI.C On civil society	29
VI.B.1 Specific issues	30
VI.C On journalism development	33
Eight months report: August 1, 1999 to February 28, 2000.....	35
Period overview	35
Result for the period	35
Result 1: Increased openness of Decision-makers to the participation of civil society in governance	35
Intermediate result 1: Decision-makers have a more complete perception of the role of the decentralized institution	35
Intermediate result 2: Decision-makers implement a policy on information and communication	36
Intermediate result 3: Mechanism for exchange among the Executive Council and citizens exist and are being used	37
Result 2: A qualitative and quantitative expansion of civil society in term of broader participation, greater representativity and increased capacity	38
Result 3: A social and political environment more conducive to citizen	

participation in the formulation and implementation of policies, rules and procedures and resource allocation decisions affecting the poor41

List of Acronyms

AGETIPA	Association for infrastructure construction and rehabilitation
AUDEFI	Associations Unies pour le Développement de Fianarantsoa
ASF	Action Sans Frontières
BPTU	Bureau Permanent pour les Transports Urbains
CES	Engineering firm hired by KFW to carry out the waterworks rehabilitation project
CPCC	Comité Permanent pour les Communications Communales
CS	Communications Service
CSO	Civil Society Organization
CT	Comité Technique
GTZ	German technical aid agency
IREDEC	Institut de Recherche et d'Application des Méthodes de Développement Communautaire
KFW	German Financing Organism linked to German development aid
MEM	Ministry of Energy and Mines

MMDF	Mpitatitra Miara-Dia ny Fianarantsoa
OOCC	Organe d'Orientation et de Conception des Communications Communales
PAIQ	Projet d'Appui aux Initiatives de Quartier
UAPH	Union des Association des Personnes Handicapées
TAFA	(Malagasy for Dialogue) Mahajanga NGO associated with Rary and specialized in participatory methods

PAGDI Decentralized Infrastructure Management Project - World Bank

I. Project Overview

Rary was a 1.5 million USD project signed on July 1, 1996 and scheduled to last until June 30, 1999. The project director was operational in mid-September 1996, and activities began in the targeted regions respectively in January 1997 for Mahajanga and February 1997 in Fianarantsoa. The project was extended at no additional cost to December 1999, then to February 2000.

Targeted zones were the urban commune of Fianarantsoa (pop. 130,000 - provincial capital) and the urban commune of Mahajanga (pop. 170,000 - provincial capital). The project employed 8 full time staff and 4 administrative staff @ 50% in each field office. Specific activities were sub-contracted out to a local NGO and local private firm, as well as to two long-term consultants. Malagasy nationals save the position of project Director held all project positions. Overall administrative and financial support as well as grants management was provided by Pact Madagascar's Administration and Finance and Grants departments respectively on a local project support costs system.

The overall program goal was to foster a national policy, regulatory and resource environment in which private action can flourish. Expected outputs were :

- an increased openness of power holders to the participation of civil society in governance;

- a qualitative and quantitative expansion of civil society in terms of broader participation, greater representativity and increased capacity; and

- a social and political environment more conducive to citizen participation in the formulation and implementation of policies, rules/procedures and resource allocation decisions affecting the poor.

Success for output 1 was to be measured in changed perceptions on the part of targeted power holders as well as in the number and diversity of exchanges between power holders and CSOs.

Success for output two was to be measured in increases in the indicators of organizational capacity through the monitoring and evaluation system, the formulation by CSOs (and action on) coherent and articulate policy positions assessed through media and other reports, the number of active partnerships between CSOs, the number of exchange fora initiated by CSOs, the number of NGOs and other associations that undertake advocacy and lobbying for the first time, and the number of contacts made with power holders.

Success for output 3 was to be measured in an increase in debate on poverty-related issues in the media and in local public fora as measured through reports in which there is mention of the role of one or more CSOs, an increase in the number of CSOs delivering civic education messages and programs; increased mention in the media of the importance of the role of civil society and of civil society organizations in good governance, and an increase in the number of CSO members.

II. Situation in January 1997

In both cities, an autonomous local government entity had been created at the end on 1995, the Commune. This locally elected entity has shared responsibilities with central government agencies in health, primary education, sanitation, infrastructure, the environment, economic development and policing. Rules and regulations governing the division of responsibility between the decentralized autonomous entity and deconcentrated regional units of central government were not defined beyond the laws published in 1994, affecting the ability of both institutions to work effectively together. Furthermore, twin electoral mandates for the mayor and for council members created a conflict of legitimacy that led to deadlock between a council often politically opposed to a mayor with his own "mandate from the people."

The new urban autonomous communes inherited a dreadful financial situation from previous administrations, with debts to the public utility company worth several times the city budget in some cases, a tax recovery rate hovering around 10 to 12% on a tax base dating back to the 70's. City services were inefficient, city infrastructure in an advanced state of disrepair, sanitation a mess and public spaces taken over by weeds. The commune's ability to maneuver was limited at best.

Thanks to the French-funded Urban Project, both cities were able to renew their property tax base as well as strengthen their financial management ability and improve their technical services departments. Budgets grew four-fold in each city, reducing

financial dependence on central government subsidies but falling short of allowing the financing of investments in new infrastructure.

II.A Civil society and the media

Active CSOs were a rare commodity in both Fianarantsoa and Mahajanga. Most officially recognized organizations, those invited to represent civil society in donor-managed participatory exercises were facades hiding a dead organization unable to mobilize its membership. Active organizations existed in small numbers at the grass roots as informal self-help and social clubs. Existing active, formal NGOs did not have significant activities or community links outside of donor-funded mandates. These NGOs had no concept of their political role in the community, had a very negative view of public life and of the political process and believed it was best left to politicians.

Both cities were dotted with several new television and radio stations working largely with underpaid amateurs that doubled as disc jockeys and reporters. Most all news content over local airwaves came from national media. Local content was limited to coverage of official events and field trips financed and framed by local donor-funded projects. Salaries were often below minimum wage and there were no resources to fund fact-finding missions.

II.B Management of services

From the point of view of the average citizen in either city, the commune was essentially managed by donors. Garbage was carted away by a tractor with an oversize Cooperation Française logo, streets under repair were marked with *AGETIPA Is Working For You* (World Bank); in Mahajanga the local public health clinic was adorned with a big thumbs up and a GTZ (Germany) logo and new water pipes were marked KFW (Germany). From a communications point of view, community programs barely existed.

Consultative committees set up by local and regional donor-funded projects operated for the most part outside of the communal institution. Participation by state and local government officials is mostly on a voluntary basis independently of the sector involved. Communal and regional state participation happens on a basis that is more individual than institutional, with no framework defining the expected role and responsibilities of local and regional agencies in project implementation and decision making. Thus local and regional representation remained informal, and generally quite weak.

II.C Dynamics between the city and civil society

The year 1997 was marked in both cities by sharp conflict between the city and civil society as well as between the executive and city council. The sharp January increase in property taxes (5 to 10-fold) led to mass demonstrations and acts of civil disobedience

in both cities. Forceful administrative acts against transport operators and informal merchants led to more upheaval and a bitter, conflictual relationship. The city's reaction to mass demonstrations on property taxes was to shut itself in and issue administrative notices that had no impact on striking taxpayers.

A massive campaign led and financed by the French produced four-color civic posters and organized media blitzes with top officials in all concerned cities, with no impact on recovery rates. Officials speaking over the airwaves were for the most part at fault themselves for non-payment and apparently had no intention to pay at that time. The demonstrations were led by those same neighborhood administrators that adopted the new tariff in the local Tax Commission without a clue as to the real numbers that were involved. Similarly, certain council members led demonstrations and called for non payment, after having themselves voted a 3% hike believing the 3% represented the real increase.

The public had no knowledge of the financial realities of the commune, of its autonomy from central government, of the fact that the new rate was calculated and adopted by a central government agency and not the commune. Basically, very few people knew what the money was for and where it was going. Citizens generally viewed the situation through a political and personality prism that, given the prevailing lack of understanding, led to a personal backlash against the mayor of each city.

Institutionally, council members had limited knowledge of the functioning of the institution; rules and regulations were abused, the budget was rejected by Council (1997, 1998), executive program was not submitted to Council, some sessions were held behind closed doors, Council decisions were not posted, archives were not publicly accessible.

The vast majority of projects operating within the City boundaries did not consult with the city on implementation; the City was involved in communicating with citizens in one project out of 6. Communications for the remaining 5 were carried out exclusively by the project.

III. Activities undertaken

III.A Approach

In order to bring about durable change in Mahajanga and Fianarantsoa, Pact developed and implemented a four-pronged approach composed of public interest issue resolution, institutional development, civil society development and capacity development for journalists. Activities were conceived and carried out according to these categories.

Public Interest Issue Resolution

The spearhead of Pact's approach was the resolution of urgent, immediate issues of public concern through more open, participatory and constructive processes. The thinking was that, given the low level of mobilization of public officials as well as of civil society leaders and unfamiliarity with democratic process, only through intense experience on conflictual issues of immediate concern to a wide spectrum of citizens and to public officials could new ways of addressing problems be internalized by local actors. Pact thus assisted the communes of Fianarantsoa and Mahajanga in dealing with the issue of property taxes, assisted Mahajanga in dealing with the issue of cost recovery on drinking water, and helped Fianarantsoa on urban transport issues.

Institutionalization

In parallel, Pact worked with each commune to reinforce legal institutional process and institute changes in response to a newly identified need to improve communications and dialogue with citizens.

Civil Society Development

Pact developed and instituted a program of organizational development suited to the specific needs and mind-set of Malagasy civil society organizations and suited to their nascent character. The comprehensive program began with the identification of common interests and included statutes development and strategic planning.

Journalists Capacity Building

Pact accompanied, informally at first, then formally, journalists in the development of their own vision of journalism and of local affairs. Pact developed a one-year training and mentoring program as well as a program of organizational development for two associations created in 1998 as a result of project activity.

III.B Activities

III.B.1 Public Interest Issue Resolution

III.B.1.1 Property taxes

At the request of city officials in Mahajanga and Fianarantsoa, Pact began to provide support to both communes on the issue of property taxes in 1997. After months of civil unrest, largely covered by the national press, a relative calm had returned - but recovery levels remained low – 43% in Fianarantsoa 18 months after issuance. In Fianarantsoa, city council adopted a resolution for a 70% tax break for property occupied by the owner, despite warnings by the executive on the durable impact of this measure on the financial soundness of the institution. Although the council was not legally empowered to make such a decision, the central government agency responsible for the management of local taxes accepted the council's decision and followed suit. The tax break durably crippled the city's finances - and had a negligible impact on recovery rates.

Negotiations and signature of a first agreement with each commune on a support program on the property tax issue was concluded in mid 1997. Pact presented the proposed program to city council and gained the council's approval before proceeding. Pact conducted the following activities in 1997 and 1998:

A survey of taxpayers was conducted in both cities in July in partnership with USAID's EAGER project to provide city officials with a snapshot of the public's perception of and information level on property taxes. Survey results were used in sessions with the city executive. The survey was also used in an informal training session with local journalists, who used the results in local media reports.

Research, collection and formatting of all relevant information on property taxes, including laws and regulations, formulas used to calculate rental value, recourse mechanisms, and the city's current and past financial situation. Upon agreement of each mayor the resulting document, was distributed to city staff, local media organizations and was the object of training sessions with individual local groups.

Workshops were held with city technicians and members of each mayor's office on the ACR method of public issue management - Action, Communications, Relations. This provided the basis for a strategic exercise that demonstrated the futility of past administrative actions taken outside of an integrated campaign that includes relations and communications. City officials adopted a global strategy and recovery targets for 1998.

A task force on taxes was set up in each city and was composed of technicians and assistants to the mayor. Simple rules on information exchange and on progress monitoring were adopted and dramatically improved the information and motivation level of technicians as well as of assistants to the mayor. The task force enabled city staff to begin to work as a team, enabled assistants to the mayor to be exposed to valuable insight and information from technicians, enabled technicians to become motivated and involved in reaching objectives.

Pact provided full-time communications expertise to each team, assisting them in developing a global campaign theme and a strategic course to reach objectives. Under professional guidance, city staff was able to avoid the usual pitfalls and mount a credible offensive on public opinion. The executive first convinced and gained the support of city councilors and employees, then acted across traditional political and administrative lines to build consensus among regional actors. The city established a working relationship with state officials at the neighborhood level (in Fianarantsoa), valued factual information and favored direct discussions with citizens on a neighborhood by neighborhood basis over media interventions.

The campaigns stretched from March and April to July 1998 and picked up again in late 1998 and early 1999 for the following fiscal year tax emission. Pact provided additional support to efforts by the city to engage in legal recourse against faulty payers. Those attempts were blocked in Fianarantsoa by the state treasurer's refusal to sign the papers authorizing legal proceedings. The Director of Public Accounting subsequently failed to act on the case, and thus the city was not able fully regain its credibility among the larger taxpayers.

Results

As a result of a first strategic workshop in Mahajanga in late November, the mayor, with Rary technical support, had held a meeting with large taxpayers, using for the first time information on city finances to convince reluctant taxpayers to pay up. They responded with a 23-point increase in the recovery rate for that bracket, from a low of 12% in November to 35% recovery in December. All other brackets recorded no significant change during the same period. This success built up the confidence of the Mayor in investments in information and dialogue.

Results of the property tax campaign were dramatic, especially in Fianarantsoa. After 18 months of stagnation, recovery rates shot up from 43 to 76% in under three months. They now stand at 86.6% for that year and at 61% for the following year, without project support. Public response to the city's commitment to better city services for improved tax recovery was positive. Motivation among city workers, who had been sensitized and informed before the public, increased as well and there was a noticeable improvement in their performance, which translated into better maintenance of canals and garbage collection. To make good on its commitment, the city improved public toilets, showers and public parks.

Public opinion toward the city substantially improved. The city established a positive working relationship with neighborhood administrators who had been perceived until

then as agents of the state and political opponents to the mayor. Neighborhood administrators worked actively to seek out faulty payers in their neighborhoods and organize neighborhood meetings with city officials, over and above political and administrative fault lines. City officials withstood sometimes sharp criticism from citizens in their neighborhood and stood by their message, gaining essential credibility on which to build. Thus the institution began to emerge from the noisy turmoil of misinformed political bickering, 3 years after its creation. In Mahajanga, lack of conviction by city officials suspended essential steps from being taken until such time as the city faced technical bankruptcy. Once officials accepted to go down into the neighborhoods, daily cash intake immediately shot up ten-fold.

III.B.1.2 Cost recovery on drinking water

In early 1997, the city of Mahajanga attempted to apply a policy of cost recovery at public water fountains, which resulted in the destruction of most of the kiosks that were built for collection purposes. The recovery policy was a condition set forth by the German KFW in a financing agreement with the Ministry of Energy and Mining at the national level. No further attempts at recovery were made in 1997. In March 1998, Rary provided support to the city of Mahajanga in the organization of a one-week workshop to set national priorities for the urban fight against poverty, sponsored by the Ministry of Regional Planning and of the City (MATV) and the Ministry of Population.

In preparing the workshop, Rary staff convinced the organizers of the importance of grass roots participation, identified 23 neighborhood associations, prepared thematic briefs on each topic to be covered and helped associations prepare ahead of the workshop. In the management of the workshop, Rary staff helped the group develop consensus on three key ideas. One, that people from Mahajanga should not wait for outside programs but rather begin to deal with local problems with local resources; second, that the community cannot address all problems at once and must prioritize; and third, that civil society had an important role to play in identifying, prioritizing and dealing with problems at the grass roots, in partnership with local authorities.

Rary staff then assisted neighborhood associations in going to their base membership to identify priority themes to be addressed by the community. Access to drinking water, Land tenure and employment were identified as the three priorities at the grass roots. Training sessions were subsequently held with 17 associations which kept up with the program to introduce them to the institutional environment and to relationships management with city and government officials. As a result of the workshops, the associations collectively decided to federate and created Hery Miray (Strong Together) to defend their common interests in the three priority

themes. Rary staff provided organizational development guidance in laying the basis of the federation, developing statutes and preparing a general assembly.

In parallel, Pact organized a priority-setting workshop in which the 17 associations worked with city and state officials in developing an understanding of each theme based on significant information and explanations on the institutional, economic and legal aspects of each issue. On the issue of drinking water, Pact worked with a team from the Ministry of Energy and Mining (MEM), which came to Mahajanga to provide information on a new National Water Code which includes the privatization of water fountain management. The MEM technicians were to gain experience of new methods of dealing with civil society in the application of a delicate policy. The workshop put water as first priority, land tenure a close second and employment third.

In parallel, under counseling from Rary staff, the mayor created a steering committee that combined all independent project-specific committees into one. Upon negotiations with Pact, the mayor agreed – after some time - to the principle that it is up to civil society to name its own representatives and subsequently gave three seats to Hery Miray. The Mayor also allowed Hery Miray access to city technicians. Rary staff produced a complete information package on the city's water management environment, including the new water code. Rary staff provided training to journalists and to associations on analysis of the information. These actions enabled the federation to negotiate significant aspects of the privatization of water fountains, to participate in the adoption of a pricing structure and in identifying priority zones for the construction of 50 new water fountains. The mayor agreed to give preference to associations in water fountain management over private concerns. This was a turn around in policy, contrasting from earlier actions of the mayor, mainly that of issuing licenses to private interests, mostly council members, creating conflicts of interest.

Results

The mayor now recognizes Hery Miray as a fundamental part of his relationship with citizens, has repeatedly courted the federation and continues to attempt to gain some informal control over its leadership through various means and to associate it formally with the city apparatus. To no avail until now. Through its participation in the city's steering committee, Hery Miray takes full part in decision making on all activities and has access to significant information. The federation has grown to number 48 associations and is aware of its political weight although it shies away from the establishment of a *rapport de force* with the city. The water issue served as a driving theme that enabled associations to mobilize and quickly develop into a credible social force to promote the interests of the grass roots and gain the know-how to deal effectively with government officials.

All 50 new water fountains are managed by associations, which constitutes a significant potential source of revenue that may enable individual associations to finance other tasks and projects within their neighborhoods. The use of associations as managers also reduces social tensions associated with cost recovery and

legitimizes the process. Associations are expected to play a leading role in defining and implementing a social policy to insure proper water access for the poorest citizens.

III.B.1.3 Land Tenure

Hery Miray began to address the issue of land tenure, the second identified priority at the grass roots, in 1999. Dozens of Mahajanga's citizens over the years have seen land they believed to be properly titled confiscated by the authorities and attributed to another party. Citizens who are able to pay hefty tips to the right people can get title to land occupied by families who's titling procedure -- dating back sometimes ten years -- was never completed by the city. Recourse by families to address their grievances systematically fail because of an opaque administrative arrangement in which responsibility for land tenure is divided between local, provincial and national attributions.

Pact provided support to Hery Miray to gain an understanding of the issue, facilitated the federation's participation in a national land tenure workshop, provided the services of a land tenure specialist and provided training in advocacy and information management. Hery Miray managed an advocacy campaign that began with weekly meetings with victims to collect information on specific cases, numerous interviews with government officials and with a Neighborhood Week that resulted in more than a dozen new organizational memberships and generated much attention from regional politicians.

AJM -- a newly created association of journalists trained by Pact -- organized a public debate on the issue of Land Tenure in September 1999, inviting public officials from the city and from the provincial government. Hery Miray had prepared well. The level of Hery Miray's analysis enabled participants to go right to the heart of the problem and generated significant information on many specific cases. Hery Miray demanded concrete mechanisms to make public officials accountable to citizens, to ensure transparency in land tenure proceedings and to guarantee that specific measures would be taken against corruption. Although the city officials most exposed to criticism chose not to attend, it was a significant beginning. Despite many attempts to gain influence over Hery Miray, the federation retained its independence throughout the elections of November.

III.B.1.4 Transport

In Fianarantsoa, Pact assisted transport operators in creating the MMDF federation of transport operators. Pact provided assistance to MMDF in identifying and addressing transport issues, as well as in organizational development. Pact also counseled the City in management of its relations with the operators. Pact's actions contributed to averting an imminent strike and for the opening of negotiations between transport operators and city officials on the issue of the abusive use of the vehicle impound as well as other issues.

M MDF gained the capacity to mobilize regional actors including public officials around key transport issues. The result was a partnership between city police and a campaign directed at individual operators that quickly led to a significant reduction in overloading of buses and in route pillaging: Zigzagging to pick up passengers on routes for which the operator does not have a license. Under a grant from Pact, M MDF went on to manage a larger campaign to introduce the idea of transport as a public service and curb some of the negative behavior of individual operators. M MDF also conducted a study on bus routes to improve the process of granting licenses and improve its position vis-à-vis regional transport authorities.

III.B.1.5 Health

With support from Pact, the FMMF association of independent doctors tackled the issue of cholera in urban Fianarantsoa, conducting sensitization and education among neighborhood associations at a time when the disease was spreading south from Mahajanga and Antananarivo and threatened public health all along the main national road south. FMMF worked closely with local health officials and municipal authorities and identified in each neighborhood where it worked priority health issues to be brought to the attention of city officials. The actions may have contributed in a significant manner in reducing the spread of cholera, with few cases reported to date. As a point of comparison, Toliary is plagued by hundreds of cholera-related deaths.

III.B.2 Institutionalization

Pact's approach was to work with partners to institutionalize reforms in parallel to the management of public interest issues to insure durable change in each community.

Whereas activities to support the positive resolution of key issues serve as a spearhead for change, activities in Institutionalization translate spearhead lessons into the mechanisms and policies needed to secure change within the community.

III.B.2.1 Introducing a new budget nomenclature

Working in partnership with the Ministry for the Development of Autonomous Provinces and the World Bank (PAIGEP project), Pact helped both cities to adopt a more transparent budget nomenclature, under development by the Ministry in ten cities excluding Mahajanga and Fianarantsoa. Pact assisted each executive in training and in introducing the new tool in the budget process both within the executive and with City Council.

Both cities have adopted the new nomenclature and have been using it for two budgetary years. Pact provided training to Council members, journalists and key CSOs in budget analysis and provided computers to process the additional

information. The new nomenclature allows a by-function analysis of city expenditures, allowing a more transparent reflection of municipal programs and policy choices. Introducing the new nomenclature has also contributed to improving relations between Council and Executive by giving each a common basis of understanding which could not exist with the previous nomenclature. In mid-1999 the State rejected the new nomenclature proposed by the Ministry and developed a completely different nomenclature. Both cities decided nevertheless to keep working with the new tool.

III.B.2.2 Improving Council – Executive relations

Rivalry between an elected council and an independently elected mayor is a common feature in the life of the country's 1400 communes. Mayors often do not recognize a council from which they are not designated and in which they often do not dispose of a majority. This situation, and a lack of clear texts on council-executive powers lead to deadlocks in both cities, leading to rejection of the proposed city budgets by city council in 1997 and 1998.

Pact worked with each council and executive to draft basic terms of agreement on the role and power of each body and on their relationship with each other. The program, executed in partnership with local NGO IREDEC also included basic training for council members on the laws relating to the council and its functioning. A minority of council members had read the texts or possessed a copy at the time.

The result was a marked improvement in relations, as noted in the September 1998 annual report. Rary and Iredec have held follow up sessions in February in both cities to assess changes in the relationship, and to pursue the development of a charter that would guide the Council and Executive, and help to overcome obstacles to a functioning relationship. City budgets were adopted by both councils in the September-October 1998 and 1999 budgetary sessions.

Elections in November 1999 created bodies with a large majority of new council members - more than 75% - over incumbents in both cities. New councils quickly came in conflict with the executive over proposed executive organigrams.

Pact was not able to conduct proposed training for the new councils and executive on the precedents and principles set by the previous elected council before the end of the project in February. This was due to delays in the official nomination of council members. This training will be carried out with new financing under the Ilo project in May and June 2000.

III.B.2.3 Developing a durable communications capacity

Pact worked with both cities to develop durable solutions to one of the major

problems identified by council members and the executive during initial working sessions with Pact staff : lack of information and communications. Council members and the public lacked information about municipal realities, programs and activities. Municipal communications, from recent Fianarantsoa experience, was but a political tool wielded by the mayor to attack political opponents in the council and which exacerbated tensions and mistrust between the two entities.

Building on a commitment by both bodies to improve the situation, Pact guided the creation of a joint council-executive committee to develop an institutional framework for communications and information. With technical support from Pact and the Ministries of Interior and Decentralization, the Committee drafted proposals for the creation of a Communications Service and of a Permanent Council on Municipal Communications, the CPCC in Fianarantsoa and the OOCC in Mahajanga. The proposal was adopted by the executive in Fianarantsoa in early 1998 and in Mahajanga in early 1999.

The Fianarantsoa Communications Service became operational in April 1998, received training and mentoring and has played a major role in communications and liaison between the City and citizens and groups since. It is accepted by all as non-partisan and credible, works intensively with local media and at the grass roots on a variety of issues including health, urban markets policy and taxes, significantly improving relations and information levels among taxpayers and citizens. The Service is funded exclusively by the City and its budget for 2000 was increased over the previous year. Pact support to the Service ended in early 1999.

The Mahajanga Communications Service became operational in the Fall of 1998. It was plagued by staffing problems and changed leadership twice. The Service is now operational and is funded by city resources. Trengo, the City's newsletter, is published regularly.

III.B.2.4 Developing acces to information and a framework for communications

The Fianarantsoa CPCC drafted communications policy during the course of 1999. The policy, adopted by city council in november 1999, covers all aspects of open and participatory city management, beginning with the necessity of publishing a municipal program and including participation in decision making, communication and information between the Executive and Council and between the City and its citizens. The policy also determines what information is public and should be made freely available. This includes Council decisions, executive orders, budget and administrative accounts, as well as land occupation. This information is made available through the City Information Center, located in an inter-institutional information, documentation and information center (CEDII).

The Mahajanga OOCC ran into several blockages, including significant delays in

mobilizing the technical committee that was to develop communications texts. Mahajanga texts were adopted one year after those of Fianarantsoa. The Committee insisted on a very broad membership for the OOCC, which entailed, among others, mobilizing leaders from each of Mahajanga's religions organizations. This difficulty, along with a weak mobilization from OOCC members, delayed work until the pre-election period of 1999, when such endeavors became ill-advised. The OOCC was thus never constituted.

III.B.3 Civil Society Development

Pact worked with a total of 8 civil society organizations over the duration of the project. The great majority of those organizations did not exist at project's onset or were at a nascent stage of development. Pact's strategy directed its interest and support toward associations rather than NGOs, which for the most part already benefited from capacity building from other donor programs. Most regional NGOs worked within the framework of sectoral programs in health, the environment and rural development, and acted as execution agencies with little or no independent community involvement or independent activities outside of that framework.

The interest in associations, from a governance perspective, came from the fact that they are membership-based, representing the common interests of specific groups within society. In a civil-society development program oriented toward greater participation in public affairs, membership-based associations seemed to represent greater potential for mobilization and action than NGOs, which execute development agendas and have weak representation. There are, of course, notable exceptions to this general observation.

The project's first finding was the weak state of most existing organizations. Contacts with various organizations including recognized business groups made apparent the fact that most were not operational, nor had been for some time. Mobilizing the board of directors for a meeting was deemed impossible for many, although those same groups were often included in regional consultative committees and cited in development circles. It should be noted that the strategic orientation of project activities on the urban environment of each provincial capital in order to concentrate efforts in resolving issues limited the geographic scope of civil society development. All civil society partners were based in the provincial capital.

Pact nonetheless identified several groups which were able to mobilize in the pursuit of common interests to their membership. The approach was to help organizations identify issues of concern and take actions to promote those issues and in parallel strengthen the organization through organizational development. All partner organizations went through a rigorous program of organizational development that began with the identification of common interests and expectations, group dynamics, development of specific statutes based on goals and functions, and strategic planning.

Most notable partner organizations are Hery Miray, Transport Operators Federation (MMDF), Miraramivoy (Advocacy on provincial autonomy), Private Doctors Association (FMMF).

Hery Miray

Hery Miray, a federation now grouping 48 neighborhood associations in Mahajanga, is the result of grass-roots mobilization by Pact beginning in early 1998. As detailed above, under water and land tenure issues, the Pact – Hery Miray partnership was instrumental in establishing a new balance of power in the relationship between civil society and municipal authorities. Pact brought intensive training and support throughout a process of identifying key issues at the grass roots, organizing into a federate structure, addressing issues with municipal authorities, gaining technical expertise and providing assistance to individual organizations. Where before civil society was absent from the municipal scene – outside of strictly donor supported and run programs – the great majority of neighborhood associations are now federated and mobilized on issues such as water distribution and land tenure. Pact financed Hery Miray advocacy activities through a sub-grant.

The Fianarantsoa Federation of Transport Operators (MMDF)

MMDF federates all transport operators operating in the city of Fianarantsoa and beyond. Each operator, merchandise or passenger, is associated with a cooperative and a Professional Transport Bureau. The Federation groups all cooperatives and bureaus. Pact provided assistance to individual operators in creating a federation, beginning with a study of common and conflicting interests, developing statutes and holding a general assembly. Pact also proposed alternatives in the operators' approach to city authorities and provided information and training on transport laws. Pact financed MMDF advocacy activities through a sub-grant.

Miaramivoy

Miaramivoy is an association created by the members of Rary's Fianarantsoa steering committee. It groups together 24 key regional actors from the private sector, political parties and civil society organizations. The organization has been instrumental in bringing much needed substance and framing to the debate on the coming institution of an autonomous Province of Fianarantsoa through a grant from Pact. It is now working on a regional governance program financed by the UNDP.

Private Doctor's Association (FFMF)

FFMF groups together young independent doctors from the Fianarantsoa region. Pact assisted the doctors in identifying common interests between themselves and with the community's health and well being. The association became much more active in community health through a small grant from Pact. FMMF was instrumental in protecting the community from the current cholera epidemic through

neighborhood association mobilization, and identified sanitation priorities by neighborhood.

Pact also assisted in the creation of a AUDEFI, the Federation of Youth Associations, and financed an inter-regional meeting on issues facing the young; provided support to the Regional Association for the Disabled (UAPH) in promoting the recognition of the disabled as productive elements of society through the launching of productive activities; and fostered the creation of two journalist associations, Tatao and AJM. AJM played a significant role in issue resolution in Mahajanga, including the complex issue of land tenure. Tatao is operating a press center independently of project support, thanks to a small grant from Pact. All these organizations receive intensive support in organizational development from Pact.

III.B.3.2 Media and Communications

Pact developed informal ties with journalists from the project's onset. Through informal meetings Pact staff introduced new ideas on information and journalism, and exposed journalists to current local public interest issues. This relationship developed with time into a formal training and mentoring program in journalism, as well as organizational development support in creating a journalist association.

During this period, Pact provided specific training on the property tax issue and the city's institutional financial environment and current situation, on the new budget nomenclature, on the City as an institution, on municipal water management, on land tenure and on several other municipal issues.

Pact assisted each association in a strategic development exercise which led to the creation of a press center, and provided extensive training and mentoring in journalism theory and techniques over a period of one year. With Pact support, journalists staged public debates on key public interest issues such as land tenure.

IV. Overall Project Impact

The Rary project has a substantial impact on the dynamics of public life in Mahajanga as well as Fianarantsoa. Civil Society is now very much a part of local government activities. CSOs are regularly consulted and participate in municipal decision-making. Each city has developed communications and information tools and – in Fianarantsoa - policies that support and frame relations with citizens and groups and insure a certain level of transparency.

Perceptions of civil society by power holders and vice-versa, have fundamentally changed. As one local politician from Fianarantsoa noted, "Civil society knows the role it should play now. It is more difficult than before to manipulate it. And those organizations which have learned their role are counterbalancing the actions of

political parties. The Commune is more open to criticism. It is closer to citizens and listens to the grass roots.”¹

The main project results are presented under the original three expected project results, below.

An increased openness of power holders to the participation of civil society in governance

The value and opportunity of civil society participation in governance, as perceived by government officials in both Fianarantsoa and Mahajanga, has evolved dramatically as a result of project activities. In both cities, officials have gone from a rather negative stance, giving little credit to CSOs and working with limited ideas on citizen participation, to establishing durable mechanisms to include CSOs in public decision-making.

In Mahajanga, the mayor reserved two seats on the City’s steering committee to legitimate representative members of civil society and collaborated fully with neighborhood associations federated under Hery Miray in negotiating the City’s water privatization program. The City provided Hery Miray with access to all relevant information and to city technicians. The federation had significant impact on City policy regarding water management. Civil Society Organizations are now part of the City’s protocol lists and are present at all significant events. Hery Miray is systematically consulted prior to decisions regarding neighborhoods.

In Fianarantsoa, City officials regularly consult with merchant associations (on public markets), neighborhood associations (on health and sanitation) and transport operators (on transport control and infrastructure development). The city has a policy of public information and systematic consultation on all major issues.

A qualitative and quantitative expansion of civil society in terms of broader participation, greater representativity and increased capacity

In both Mahajanga and Fianarantsoa, the civil society environment has changed notably. Whereas in 1997 there was no recorded participation of CSOs in the public arena, now several durable organizations are involved in key issues that impact on citizen welfare.

In Mahajanga, neighborhood associations, mostly self-help groups, are federated within a 48 member organization which has sufficient weight to tip the balance in municipal elections. The organization is involved in key issues relating to the application of new national policy on water privatization and cost recovery. The Federation is providing training and support to member organizations, increasing their capacity to manage individual water fountains. Mahajanga journalists are now

¹ As reported in Pact’s interview series with regional leaders in December 1999.

represented by a 25-member association, AJM, which is playing a major role in key issues such as water management and land tenure.

In Fianarantsoa, several new organizations have surfaced to play an active role on a local and regional level. A federation of youth organizations, a federation of transport operators, an advocacy group on provincial autonomy, a journalist association exist and are active where as no similar organizations existed at project onset. Existing organizations such as UAPH (Disabled Persons) and FMMF (Independent Doctors) became more active in the public arena as result of project activities. Moreover, neighborhood associations have prioritized health and sanitation issues and are mobilized in resolving some of those issues.

All organizations play an active role in the public arena and have influenced the relationship between civil society and decision-makers. All organizations have greater organizational and technical capacity then at project onset.² All except the journalist associations have developed a position vis-à-vis the community and, in 3 cases, vis-à-vis specific government policy. In 3 cases also, organizations united to create a federate structure. All organizations initiated forums on issues and 2 engaged in head-on advocacy campaigns on specific issues. All but one organization developed a significant relationship with decision-makers.

A social and political environment more conducive to citizen participation in the formulation and implementation of policies, rules/procedures and resource allocation decisions affecting the poor

The combined impact of activities under the first and second project results have contributed to expected result 3. More openness of decision-makers, combined with an expansion of civil society have generated an environment more conducive to citizen participation. Both cities saw a notable increase in dialogue and debate on issues. Civil Society organizations are more often referred to and called upon by decision makers. Two organizations, Miamivoy and MMDF, have actively campaigned with civic messages, respectively on provincial autonomy and passenger rights. Note that overall CSO membership was not tracked due to practical monitoring issues.

² Note: Because of the nascent state of most if not all organizations, Pact's organizational capacity assessment tool was not used. Increased capacity in partner organizations is measured in organizational terms by: 1) clearly defined common interests and organizational structure and systems, formal statutes, action plan and successful completion of an activity under a grant mechanism. All partners have succeeded in completing these steps in their development and have interiorized the associated principles and mechanisms; 2) All but one partner organizations are active today.

Further indicators of impact under expected result 3 are the adoption by both cities of a more transparent budget nomenclature, allowing greater participation in allocation decisions; improvements in council-executive relations, allowing more representative input in executive decisions; creation of a non-partisan communication service, improving the flow of information on municipal issues; the adoption in Fianarantsoa of a policy on communication, participation and access to information, enabling citizens and journalists to access public information on municipal decisions on policy and resource allocation. Moreover, there is an improvement in journalist capacity and a new journalist association in each city.

V. Project Performance

The tables below report on project performance according to the indicators laid out in the project proposal.

Partnerships, Networking and Coalitions Building

Indicator of success	Results
20 partnership agreements	16 partnership agreements were signed
Formation and/or consolidation of 4 CSO networks/coalitions	3 new federations exist as a result of project activities, involving a total of 66 organizations
Functioning partnerships between 5 CSOs and organizations responsible for economic data collection and analysis	This activity was not pursued.
Existence of a functioning P&P advisory group	Active advisory group (CoRary) existed throughout first 2 years and went on to become an autonomous organization (Miaramivoy) with similar principles and goals as project during year 3.
5 CSO-initiated issue fora related to the role of civil society in governance and/or issue affecting the poor	All but one partner organization initiated fora. Most organizations organized more than 3 fora and participated actively in many more. The total number of fora initiated by partner CSOs exceeds 10.

Research

Indicator of success	Results
Completion of an expanded survey of the existing context for civil society/power-holder interactions	Pact estimated the survey was not necessary once public interest issues were initiated in Fianarantsoa and Mahajanga in early 1997. Pact worked concretely at the core of CSO-PH relations throughout the project life cycle.
Civil Society profiles for two regions	Completed.
Development of a strategy document reconciling/integrating traditional Malagasy concepts with democratic principles	This was addressed through the development of a organizational development approach that addressed issues of personal responsibility, conflict resolution common interests and community interests. Reconciliation happens

	within the individual's involvement in associative life and that is where efforts were concentrated.
Development of organizational/institutional profiles for 20 « vanguard partners »	As mentioned previously, partner organizations were nascent and organizational assessment was not deemed practical judging on their level of development.
Training, information and mentoring plans for 20 partners	The project worked with a total of 10 partners for which training and mentoring plans were developed.

Civic Information, Education, Communications and Advocacy

Indicator of success	Results
A self-sufficient CS-Net with a minimum of 25 organizational subscribers	Pact developed a more focused use of information through InfoBase. InfoBases were targeted to precise issues in which CSOs were involved and enabled organizations to grasp an issue and engage in advocacy activities. More than 25 journalists and CSOs have benefited from InfoBases.
A total of 12 different information kits produced	19 InfoBase documents were produced
A media monitoring and press clipping service functioning within the offices of a partner organization	This service was developed by Tatao (journalist association) in Fianarantsoa
Press releases and accompanying media reports on 6 examples of effective advocacy and government/CSO exchanges	There have been more than 6 exchanges, including 1 on transport, 2 on property taxes, one on land tenure, several on water distribution and several on provincial autonomy.
4 CSOs operating expanded and innovative national civic information/education programs	Two organizations incorporated civic education themes within their advocacy campaigns, Miaramivoy and MMDF.
A minimum of 20 mass media journalists having participated in project workshops	A total of 50 journalists have exchanged with project staff on a monthly basis, have received extensive training and mentoring and have created two associations.
A minimum of 15 examples of dialogue between CSOs and power-holders on issues relating to the poor in which government policy, the implementation of procedures or the allocation of resources has been influenced in the direction espoused by the participating CSOs	This target may have been unrealistic and is in contradiction with the indicator mentioned above, <i>Press releases and accompanying media reports on 6 examples of effective advocacy and government/CSO exchanges</i> . 15 policy changes are difficult to derive from 6 exchanges. There were 2 cases in which CSOs successfully influenced public policy : Water privatization and transport.
Existence of draft code(s) of ethics which include the role of civil society in policy formulation and oversight of government.	The city of Fianarantsoa has adopted sweeping policy on communications which includes the participation of citizens as well as access to information policy. This policy captures the fundamental change that has happened in power-holder perceptions.

Organizational and Institutional Development

Indicator of success	Results
800 person days of organizational development	Pact has organized a total of 2293 person days of workshops, training and mentoring sessions. Approximately 50% were half-day sessions, which brings the number of person days to approximately 1719.
Implementation of a participatory monitoring and evaluation system to permit partners to assess their own development and revise resource/needs assessments.	Partner development was assessed with partners on a regular basis. Support was adjusted accordingly.
Support to 15 CSOs or networks to apply skills developed during training	10 partners were provided financial support to apply new skills.
Demonstrated increased capacity	All partners demonstrate new skills. However, as previously mentioned, there was no baseline measurement using Pact's organizational capacity assessment tool due to the nascent state of project partners.
Successful application of skills learned during capacity building activities as measured through self and peer assessments.	Application of skills was demonstrated through concrete activities managed with success, including the above mentioned CSO-power holder exchanges and successful completion of grant-funded activities.
Increased perception of overall capacity of civil society on the part of power-holders and CSOs themselves.	This was achieved and is documented in a study conducted in late 1999.

VI. Lessons learned

VI.A General Observations

VI.A.1 Initiating change

Observers will note the project's achievements on a certain number of issues, and the significant change it has produced on the basic relationship between decision makers and citizens in Fianarantsoa and Mahajanga. This is the result of an intensive approach. The Rary project covered two provincial capitals with a total combined population of 300,000 inhabitants. Roughly speaking, the cost of the operation was \$750,000 for each city or \$5 per inhabitant who benefited directly or indirectly from project activities and results.

These numbers may contrast with those that could have been obtained through a broader geographical approach. The issue here is the cost of initiating change. Although significant change in a community, a region or a country results from thousands of variables that operate far beyond the scope of any development project, initiating concrete, measurable and durable change in the project's zones of intervention within 3 years was the project's objective.

In analysing project results, the Pact team has noted that the concentration of

activity and the high level of intervention was a necessary element in fostering real and durable change. Maintained regular contact with partners, weekly and in some periods almost daily, as well as coordinated actions simultaneously targeting local government, civil society and the press, were essential elements of change. Results could not have been achieved over a larger geographical area without more important means.

The question that remains relates to the level of change that should result from governance interventions. What we mean by change, how we define it, is the cornerstone of project design. Change may be defined as an increase in the organizational and technical capacity of civil society organizations, or in an increase in reach and quality programming of rural radio stations, in which case geographical scope can be more important with similar funding levels. Imbedded in that definition is the supposition that there are other elements at play that will run parallel to affect more global change, or that the effect of CSO capacity or rural radio will radiate to affect more global change. To analyse how those changes can affect more global change, an analysis of other forces at play and of how the radiation factor can come into play is a most useful exercise.

The Rary project aimed at touching on the dynamic of relations between citizens and government, and fostering an environment more conducive to participation in public affairs. Change defined in those terms necessitates a rather high level of concentration. Moreover, in the case of the Rary project, no other significant forces were identified that ran concurrently with project objectives. Although there were several important programs active in the region, they did not concur to improve relations, sometimes created conflict and were ill-equipped to incorporate governance as a program element.

Defining expected global change in the present context of development would seem an essential exercise given the overwhelming nature of the elements that play against it. Beyond the considerable force of inertia of most societies and their propensity to defend the status quo, there are no significant structural economic or social movements that touch a critical mass of citizens. The great majority of citizens (85%) live in rural areas, faced with declining soil fertility and high population growth; there is no significant rate of urbanization; savings and investment is low; literacy levels have fallen below 50% and enrolment in secondary schools hovers around 20%. Three out of four citizens live below the ultimate poverty line and almost one child out of two children suffers from stunted growth. This context makes it essential to carefully map out change. And to identify engines of change.

VI.A.2 Engines of change

The Rary project was part of USAID Madagascar Mission's Special Program Objective linking Economic Growth and Democracy and Governance. The basic premise in this link is that improvements in governance should, beyond their obvious immediate benefits, contribute to improving durable economic growth. Thus governance is not isolated but linked to an economic, as well as social and political environment.

Along that line of reasoning, Pact, early on in the Rary project, recognized that change requires energy. If governance activities are to lead to a better environment for private initiative and economic growth, they need to be linked to an engine: a force in motion upon which the project can attach itself. To move beyond considerations of human rights and democratic practice to encompass economic development, project activities need to develop around central issues which involve other resources in motion.

Experience under Rary confirmed this theory. Were it not for major investments to reform the property tax apparatus, there would not have been crisis. And efforts to improve the relationship between citizens and local government would have been pale against the backdrop of a 12% property tax recovery rate on property values of 1976 when property taxes account for more than 70% of revenue for the City. Economic soundness of the local institution is a fundamental condition for governance activities to lead relatively quickly to positive change. And the engine of tax reform, which is fueled by significant resources beyond what a governance project can or would be expected to fund, enabled significant change to come about.

The same proved true in the privatisation of water distribution. A major engine, notably an agreement between central government and a German aid agency to overhaul the Mahajanga waterworks, created a major public policy crisis. This crisis acted as a catalyst to mobilise and durably federate civil society and provided a major incentive to open the doors to city hall. Without that engine, the financial stalemate between the City and public utilities would probably have nullified attempts at reform, again jeopardizing the economic soundness of the local institution and depriving the project of the propulsing wind that produced significant results.

Similarly, the economic repercussions of an abusive use of the the City vehicle impound (vehicles were impounded for the slightest infraction) on transport operators generated aggressive reactions from a class of citizens with the means of choking the City and its economy. This engine – the operators faced with a crisis - was the driving force that mobilized operators into a movement that, with Pact support, federated all operators into one organization that pushed the city to negotiate, educated itself and individual operators and went on to address – and solve - key transport issues, including issues relating to passenger safety and decency.

An engine is a driving force that has the potential to bring about change when provided support and mentoring. Results from the Rary project would suggest that governance activities that identify, stimulate, work with and help steer such forces toward positive change through the introduction of new, more open and constructive ways of dealing with issues can hope to yield significant results and establish closer links between governance activities and economic development. This lesson will be used in further governance activities. At a regional level in Madagascar, Pact proposes to identify potential target regions by identifying existing economic and social forces and potential issues that can generate significant change within limited project funding levels.

VI.A.3 Engines and Destinations

Pact's approach to Rary was issue-driven. In relation to an engine that can power change, an Issue is a destination that is desirable, an incentive for action and for mobilization. Pact focussed on precise issues that had the potential to mobilise groups that were directly concerned – because the issue was immediate enough to « hurt in the gut » - and to mobilize public officials by their potential political repercussions. One overarching lesson that has been drawn from the Rary activity is the potential of driving issues to initiate durable change. Without property taxes, water privatization, abusive use of the vehicle impound and other burning issues as a spearhead, one can argue that the durable institutional change that was fostered through project activities, capturing a new dynamic in local governance, would not have materialized, or would not have honestly represented a shared consensus among actors on new values and principles.

Issues provided practical lessons in which regional actors - not donors nor central agencies – were the key players. The outcome demonstrated that information and dialogue, as well as civic action, were worthwhile investments, and can yeild significant dividends. And that local and regional actors could solve local and regional problems – and not wait for solutions from above. The demonstration had to be done in order for regional actors to make sense of newly popular terms such as democracy, governance, participation and dialogue. No one has any time to loose, especially when revenues are low. So dialogue must yeild concrete dividends in a short time frame.

VI.B Governance as an integral part of development programs

Political processes and public institutions are central to any development perspective and thus to any development program. Governance perspectives, approaches and tools therefore need to be integrated into sectoral programming. This lesson is one of the most fundamental lessons of the project. Dynamics in the relationship between international agencies/bilateral donors and the Government at a national level, and between projects and local governments/government agencies at a regional level is one of the most complex aspects of development work and one of the most important to address. The relationship impacts on such fundamentals as the process of public policy and program development and ultimately on the ability of regional and national actors to mobilize toward common objectives.

From a regional perspective, the political domination of the socialist state has been replaced by the technical and financial domination of the donor-funded project and program. This can inhibit the autonomous initiative of regional actors to mobilize toward common regional objectives. Although development programs attempts in may ways to move away from this dynamic, identify and support regional partners and their development and promote participation, important differences remain in technical and financial means, in knowledge and in motivation between regional

actors and centrally managed, internationally funded programs.

Addressing this problem should be an important consideration in future program design. If governance is to improve nationally, then real, political as well as administrative participation needs to develop at a regional level. For this to happen, policies and mechanisms to transfer resources, knowledge and means to regional public, para-statal and private institutions and to reinforce autonomous regional decision-making need to be developed and systematically integrated into sectoral program design.

VI.C On civil society development

Civil Society development has proven to be a challenging and gradual process. Although project activities yielded significant, capable and representative new organizations in a relatively short time frame (under one year), the ability of civil society as a whole to group together behind common interests and commonly felt issues remains weak.

There are several explanations for this :

First, Madagascar has not undergone a significant process of industrialization and urbanization. Thus no transformation of basic social relationships from family and clan toward more modern forms of association has taken place. The basic reflex is to refer to family, clan, ethnic and geographical origin. Individual economic and social advancement comes from a network based on personal relationships that organize around economic activity and reach into the deepest realms of the State apparatus. Organized private networks channel opportunity, economic gain and evasions of many sorts, over and above the country's modern State's legal and administrative apparatus. The State is not always able to oppose rule of law, administrative rigor or sufficient social programs to this system of personal advancement. This situation impacts on the development and promotion of common ground, common interests and public space within the community.

Second, collaboration within modern private (non-statal) organizations on the basis of common interests, is new. The capacity to work within independent organizations, including the ability to rise above clanic and personal considerations, to solve conflicts and to enable capable leadership to emerge, can only be acquired over time. Furthermore, certain cultural traits, most notably a spirit of individualism and an aversion to open conflict, naturally find their way into associative life, impacting on the productive resolution of conflicts and the institution of responsible leadership.

Third, the levels of education, information and knowledge of community members often hamper their ability to identify community and larger group interests. At the regional level, knowledge about regional economic, social,

infrastructural and environmental realities, as well as institutional, legal and fiscal frameworks, is limited to very few persons, most of which are employed by development organizations or select government agencies. Lack of a common global development framework and commonly shared principles cools participation toward common objectives and projects.

In such a context, it is often understood that positions of leadership within a given organization do not entail responsibility to members, and offer the qualities of a springboard to more prestigious positions in which action and personal commitment are also not part of what the norm would dictate.

The basic system of trust, founded on common social values and organizational principles shared among citizens, is not sufficiently widespread to insure rapid growth of a strong, vibrant and committed civil society. This growth can only develop over the medium term.

VI.C.1 Specific Issues

Beyond the general observations above, the following specific issues have been raised as a result of project activity :

Volunteer Capital

Civil Society Organizations are based on voluntary contributions from members of the community. This capital is limited. The availability of capable persons willing and able to invest a significant amount of their time to volunteer activities determines how many organisations actually can develop and manage significant activities. Mobilizing funds to enable such organizations to establish an executive and alleviate pressure on founding members is critical. However, many funding sources are targeted to specific sectoral results-oriented projects and some do not cover operating costs. Thus volunteer capital and the development dynamic of independent civic organizations often does not meet the funding mechanisms of many donors in a timely manner.

Grass-roots vs. development agendas

The risk involved in the predominance of results-oriented sector-specific funding often creates a mismatch between the common interests and grass-roots agenda of the new organisation and the specific objectives and agenda of donor programs which provide financing. A case in point is that of Hery Miray in Mahajanga. Its agenda, that of citizens at the grass roots, involves potable water distribution and land. Funding opportunities so far have been linked to the execution of community micro-finance and health programs. Thus the ability of the federation to respect the grass roots agenda is in conflict with larger development agendas to which most funding is linked.

Internal conflicts of interest

Launching an NGO has come to represent a significant opportunity for young and not-so-young members of the community. In an environment where resources and opportunities are scarce, NGOs present the opportunity to grow personally, professionally and to improve one's financial situation. Thus when an NGO accesses funding to carry out a development activity, the founders of the organization naturally occupy the salaried positions created as a result. This poses an internal governance problem to many NGOs.

With the newly adopted law on NGOs, government hopes to impact positively on the NGO sector, improving ethics by imposing internal organizational guidelines that prevent board members from occupying executive, salaried positions. When applied, this law will cause a durable internal crisis within the sector.

Civil Society Organizations and project management

Funding new civil society organizations has proved to be a delicate exercise. The Rary grant program funded a total of seven organizations, all associated with the project. Managing money for activities led to conflict in 5 out of seven organizations. Conflicts arose between members who were responsible for the management of activities and those who felt like they were left by the wayside. Fund management led to mistrust and suspicion of misappropriation. As a lesson, more support need to be given to the executive and board in developing communication channels with the general assembly on the advancement of activities and fund disbursement. Also, projects should be designed as to involve a significant number of members, but not be limited to the board and/or executive. The « project dynamic » of result-specific time-framed funding can have negative impact on less mature organizations and should be accompanied by specific measures of mentoring and organizational support.

Issues and organizational health

Project experience points to a possible correlation between the immediacy of an issue, the possibility to act concretely and yield results, and organizational health. Organizations such as Hery Miray, Transport Operators and Independent Young Doctors (FMMF) mobilized in response to more direct and clearly delimited issues in direct relationship with their interests. In the case of Tatao and AJM (Journalists), AUDEFI (Youth Organizations), The Disabled (UAPH), Miaramivoy (Autonomous Province), the issues were longer term and could not be as clearly defined or as clearly related to immediate interests. Organizations of the first group are generally in better organizational health than those of the second group.

In retrospect, the project has demonstrated that when an organization holds a critical mass of well-meaning and capable individuals, it can develop quickly and embrace complex issues when provided guidance and useful information on issues of immediate concern. Such has been the case most notably of Hery Miray and of Transport Operators (MMDF).

Outstanding is the issue of the relationship between donor-funded programs and

civil society development. Civil Society development goes beyond project funding and the use of NGOs in project implementation. It is also a political issue that requires the development of specific approaches and their integration within sectoral civil society policies of donor organizations.

If civil society is to develop as a dynamic element of society, civil society organizations must become civic learning institutions within which citizenship and civic behavior can develop. Given the current situation in Madagascar, and the current state of civil society, programs geared toward and working with private non-for-profits, whether NGO or associative need to integrate specific organisational development and educational objectives. The great majority of NGOs existing today are more akin to technical execution agencies than to civic organizations with community roots and an agenda of their own. Political, institutional and civic education, as well as organizational development need to be imbedded within all support programs if governance is to durably improve.

The power of Information

Cynics had warned Pact staff on the low capacity for mobilization of civil society beyond funding opportunities and perdiems. Information proved them wrong. Information targeted to specific issues representing a definite immediate interest mobilized actors beyond expectations. In the case of property taxes, water and transport, access to information and understanding of the issue propelled the organizations and galvanized their membership and leadership.

Actors and organizations hunger for just the right information. Understanding acts as a driving force that enables organizations to move beyond petty problems toward common visions and common objectives.

Hery Miray's understanding of the technical, economic and institutional aspects of water management enabled it to become fully involved. It also enabled the leadership to become credible vis-à-vis its base membership and local authorities. Hery Miray volunteers spared no expense to gain and master this knowledge.

Transport Operators quickly incorporated new knowledge into their approach and this led them to adopt new approaches to advocate for change. They reportedly corrected regional transport officials who were quoting from an outdated text. This not only established their credibility, it acted as a strong mobilizing agent.

Neighborhood administrative agents, having gained real knowledge of the financial and institutional reality of the property tax issue from City officials, promptly mobilized to work alongside the city to improve tax collection, leaving behind their affiliation to the political opposition and to central authorities.

VI.D On journalism development

Intensive training and mentoring activities geared toward journalists during Rary led to the emergence of a limited number of individuals with a true desire to become professional journalists and to the creation of two journalist associations, Tatao in Fianarantsoa and the Mahajanga Association of Journalists (AJM) in Mahajanga.

One association is active today – AJM has split into two groups - and both have contributed to project results by i) increasing the flow of information and debate on specific issues related to project objectives, and ii) launching an information and resource center. Both launched a periodic publication, one of which exists today (Tatao's), independently of project activity. Neither has mobilized in any significant manner to defend journalist rights and freedoms, although confronted with beating and intimidation of journalists in both cities. Journalsits from Mahajanga are now registered and are beginning to be recognized by their counterparts at the national level. Both associations have approximately 25 members and group the great majority of declared journalists.

In the perspective of the development of credible and effective journalism at the regional level, increasing the level of accesible, complete information and analysis, leading to a more informed public opinion, project activites with journalists have yeilded mixed results.

First, the creation of an association may have come too soon, given the relative number of committed journalists as a ratio of total membership (approximately 20% of members). Most individuals who describe themselves as journalists at the regional level mostly have no training, double as disk-jockeys or hosts, do not have a contract, make minimal wages - sometimes volunteer - and do not have the ambition of developing as journalists in the medium term. Thus the associations are generally weak representatives and promoters of the profession.

Associative life in that context has sometimes led to conflicts between members of different ethnic groups within the organization, and to conflicts between members and non-members. Associating a training and mentoring program with organizational development has not led to a greater *esprit de corps* amongst journalists, as was expected at project onset. AJM has splintered into two organizations as a result of internal conflict based on media affiliation. Tatao is experiencing internal ethnic conflict and conflict with older, more professional non-members.

Second, helping journalists move beyond a « project logic » is a difficult task. Both associations were keen to develop their own publications and broadcasting. This did not serve to improve information within the media outlets where they work. Although one project achievement is an increase in the reflex to seek out information and complementary information, and that journalists now attend City Council session (a significant change), there has not been a durable increase in quality reporting and analysis over radio airwaves as a result of project activities.

Journalists invested their energies in launching a periodical, staging regional debates, launching a press center with a computer access service, and contracted with the UNDP on Durable Development themes. But they did not significantly increase news content or news quality within their respective stations.

In the short to medium term, activities in support of journalism development should not be limited to the framework of journalist associations, should associate local media in the development of information and should avoid funding activities parallel to those directly improving reporting and analysis within existing media.

The most significant result of this activity was to enable committed journalists to emerge from the majority, consolidate and improve their position and capacity as journalists within media organizations, and gain recognition beyond the region.

Eight Months Report

August 1, 1999 to February 28, 2000

Period overview

The last eight months of the Rary project were dominated by the preparation, launching and management of the Rary grants program. During this period Pact provided support to 8 CSOs in capacity development as well as mentoring in managing activities. Pact staff worked overtime training partners on the technical aspects of their project as well as on financial management and grant mechanisms. All partners successfully managed their project, most of which had direct impact on public issues and on the dynamic of civil society and relations with decision makers.

Pact consolidated achievements with city councils and attempted to launch new initiatives with the French Cooperation, while preparing for the communal election of November. Fianarantsoa's communication service demonstrated its potential and successfully integrated into the city apparatus, while Mahajanga's service remained plagued with staffing problems.

Results for the period August 1999 to February 2000

Result 1: Increased Openness of Decision-Makers to the Participation of Civil Society in Governance

Intermediate Result 1: Decision-Makers have a more complete perception of the role of decentralized institutions

Council-Executive relations

In September Pact assisted both Councils in assessing developments of the previous two years and moving toward a charter of relations between both entities. As the end of their term neared, Council members drew lessons from their experience and identified lessons to be carried into the future, whether as council members or as private citizens.

New Nomenclature

Between August and November, Pact attempted to locate and assess the computer program created for the new nomenclature and which had not as yet been integrated into the financial services of either city. Contradicting accounts, the departure of the project chief at the Ministry for the Development of Autonomous

Provinces, and evasive answers from the private firm hired to produce the software created a frustrating situation. Pact was not able to secure the software and abandoned plans to create one given the imminent end of activities.

Pact communicated to each city the changes brought by Government to the nomenclature, rendering it legally obsolete. Both cities decided to keep applying it. A protocol was signed between each city and Pact on the application of the new nomenclature through the 2000 budget session. Pact trained Council members in budget analysis in September, using material developed for Pact by IREDEC and distributed a manual on budget analysis to participants. This manual will be made available to all parties interested in analysing city finances.

Projet de Ville

Pact abandoned its plans to initiate a system of neighborhood-led surveys and maps as a way to democratize city planning decisions after partnership development efforts with the French Cooperation failed to materialize into agreements. Also abandoned was a proposed joint-effort to apply lessons learned during the property tax issue to ten secondary cities now targeted by the French PAGU project.

Intermediate Result 2: Decision makers implement a policy on information and communication

Communications Service

The Fianarantsoa communications service continued to prove to be an essential tool in bringing the City closer to its citizens. Funded exclusively by the City, the service developed regular formats with local media, informed citizens on issues of public health (cholera), market reforms and others. The Service worked through the elections period without political interference from the mayor or executive staff. Its budget was increased substantially in the 2000 City budget.

The Mahajanga Service was plagued by yet another staffing problem when the service chief was fired in late 1999. No further efforts were made by Pact to train new staff.

Communications Policy

The city of Fianarantsoa formally adopted its communications policy in October 1999. Pact provided support to the Permanent Council on Communal Communications (OPCC) in finalizing the texts and preparing for Council debates.

The policy was ratified by the City Executive, which is responsible for its application. Pact provided support in rehabilitating a room in the City Library to house the documents made public by the policy. The area was named City Information Center (CIC). The City entered into partnership with the Structural Adjustment Secretariat

(STA) in December, as well as with the Chief Provincial Administrator (PDS Faritany) on a Regional Structural Adjustment Information and Exchange Center (CEDAR) to be housed with the CIC into an Inter-Institutional Exchange and Documentation Center (CEDI) linked with the Faritany and housed in the Municipal library. The CEDI's goal is to provide access to all regional information sources, including government agencies, within one center.

The CEDI, CIC and CEDAR were jointly launched at a ceremony attended by SPO Team Leader Mary Norris, Pact COP Patrick Brenny, the PDS Faritany and Chiefs of Service of the main State services. In February, the STA and PDS accepted the idea brought forward by Pact that the CEDI should be an independent association supported by the State and by private concerns.

In Mahajanga, Pact ceased all efforts to initiate policy development with the OCCC on September 15, in view of the elections of November.

Transferring lessons learned to the new Councils

Pact was not able to hold working sessions with newly elected Councils on the achievements and lessons learned of the Rary – Municipal partnership. This is due to delays in both cities in the official opening of the new Councils by the sous-préfet. Pact proposes to hold this exercise with the new Councils under new financing under the Ilo project.

Intermediate Result 3: Mechanisms for exchange among the Executive, Council and Citizens exist and are being used.

Water Issue

Hery Miray has provided training to each member association in public water fountain management. Associations now manage the City's 50 new paying fountains.

Land Tenure

Hery Miray has taken action on the issue of land tenure. After having gathered significant information on the issue, Hery Miray conducted its own enquiry by collecting testimony from dozens of victims of land tenure. Pact provided support through training in advocacy and provided the federation with the help of an expert on land tenure, to strengthen the federation's technical base.

AJM -- a newly created association of journalists trained by Pact -- organized a public debate on the issue of Land Tenure in September 1999, inviting public officials from the city and from the provincial government. Hery Miray had prepared well. The level of Hery Miray's analysis enabled participants to go right to the heart of the problem and generated significant information on many specific cases. Hery Miray demanded concrete mechanisms to make public officials accountable to citizens, to ensure transparency in land tenure proceedings and to guarantee that specific

measures would be taken against corruption. Although the city officials most exposed to criticism chose not to attend, it was a significant beginning. Despite many attempts to gain influence over Hery Miray, the federation retained its independence throughout the elections of November.

Hery Miray is now teaming up with the Mahajanga chapter of KMF/CNOE on an awareness and information program on land tenure.

Property taxes

In Fianarantsoa, the City has continued without support in erasing the years of delay in property tax management. Tax recovery rates are also encouraging, with a 88% rate on 1996 taxes, 63% rate on 1997 and 43% rate on 1998. In Mahajanga, recovery rates stand at 50,50% for 1996, 36,55% for 1997 and 27,85 %for 1998. The difference in maximum recovery rates between Fianarantsoa and Mahajanga is a factor of the relative importance of large accounts as a percentage of the total of properties. Large payers simply did not pay their taxes. In both cities, legal procedures beyond the application of penalties were never used against faulty payers. Tax payers who failed to pay their 1996 taxes will soon be protected by a statute of limitations that comes into effect 4 years after the first issuance.

Transport

Please refer to grants section under Result 2

Result 2 : A qualitative and quantitative expansion of civil society in terms of broader participation, greater representativity and increased capacity.

The period August to February was dominated by the launching and management of Pact's advocacy grants program. During this period, project staff invested heavily in preparing partners through training and mentoring, in reviewing proposed projects, in mentoring partners and in managing the grants apparatus.

Below are the principal results of the program :

Hery Miray

Hery Miray ran its "Neighborhood Promotion Program" in Mahajanga. The goal was to promote grass-roots associations, provide essential training and information to member associations on the priority issues identified at the grass roots (water, land tenure and employment) and prepare a mobilization on the issue of land tenure.

Hery Miray collected all relevant information on all three issues, staged an impressive "Neighborhood Week" attended by representatives from 2 out of 3 neighborhoods. It resulted in 20 new organizational memberships into Hery Miray and recognition by

regional decision-makers. The federation is now systematically consulted on any municipal decision regarding neighborhoods.

Training and information developed an awareness of rights and citizen interests at the grass roots, leading to initial advocacy actions. Individual associations recognized the importance of managing water in their neighborhood and prepared accordingly.

Mahajanga Association of Journalists (AJM)

Through its "Communications" project, AJM wanted to reinforce the role of journalists in public life in Mahajanga. AJM did this through the launching of a press center, the production of public debates on topics of current interest, the production of basic reference materials and the publishing of a "learning periodical".

All activities were successful. AJM launched its press center in a restored building and it served to hold numerous meetings and provide access to basic documentation. Three debates were organized, on current land tenure issues, on democracy and local governance and on public water management. Each debate drew significant participation from a wide array of citizens and decision makers. The public debate on land tenure was particularly colorful and helped the cause of Hery Miray. The publishing of "Jirany" was delayed because of procurement difficulties resulting from new government fiscal policy regarding NGOs. Issue "0" was nevertheless ready for launch by project close.

Fianarantsoa Union of Disabled People (UAPH)

UAPH wanted to build the capacity of disabled members and promote exchange between various disabled citizens as a way to develop confidence among the disabled, leading to a greater integration into the mainstream.

Through a grant from Pact, UAPH provided training in management for 8 of its members and in desktop publishing for 5 others. UAPH has identified micro-publishing as a potential niche for the disabled in Fianarantsoa. UAPH now disposes of 1 computer and printer and is in the process of launching a business project as a local graphics and micro-publishing source in Fianarantsoa.

UAPH organized a forum on self-employment in Fianarantsoa, gathering decision makers and disabled persons around the themes of self-employment and the positive integration of disabled persons into active life. UAPH plans to promote the results within concerned government services such as the Ministry of Population.

The Fianarantsoa Federation of Transport Operators (MMDF)

Under a grant from Pact, MMDF managed a campaign to introduce the idea of transport as a public service and curb some of the negative behavior of individual operators. The campaign aimed at educating operators on the concept of liberalization and educating passengers on their rights and reasonable expectations from a transport service. During the 3 months of project activity, 200 "FULL LOAD"

signs were distributed to operators, 750 stickers, 250 posters and 4 billboards were used. Four important public meetings were held, including with authorities on specific issues related to route theft, abusive issuance of licences and overloading of buses. Decision makers are now committed to working with MMDF to improve basic regulation of transport activity. MMDF also conducted a wide-ranging study on bus routes and operating costs to improve the process of granting licenses and improve its position vis-à-vis regional transport authorities. MMDF is now better organized, and in a position to negotiate with the State on transport tariffs, licensing and control.

The Fianarantsoa Association of Independent Doctors (FMMF)

Through a grant from Pact, the FMMF association of independent doctors tackled the issue of cholera in urban Fianarantsoa, conducting sensitization and education among neighborhood associations at a time when the disease was spreading south from Mahajanga and Antananarivo and threatened public health all along the main national road south. FMMF worked closely with local health officials and municipal authorities and identified in each neighborhood where it worked priority health issues to be brought to the attention of city officials. The actions may have contributed in a significant manner in reducing the spread of cholera, with few cases reported to date. As a point of comparison, Toliary is plagued by hundreds of cholera-related deaths.

Miaramivoy

Miaramivoy used a grant from Pact to inject a good dose of information and reasoning into a heated debate on provincial autonomy. The association participated in numerous forums and discussion groups and produced 9 radio programs, and 2 televised debates on the subject. Miaramivoy also made a crucial link between the high plateaux and the coastal area through a campaign in Manakara, where the association hopes to set up a partner network. Miaramivoy is now recognized by most political actors in Fianarantsoa.

Tatao

Fianarantsoa journalists grouped under Tatao launched a "Press Center Project" with the help of a grant from Pact. Their goal was to foster the emergence of investigative journalism in Fianarantsoa. They succeeded in launching a functioning center that provides basic documentation to journalists and serves as a meeting place. The Center operates using funds generated by the management of computer and copying services offered to NGOs and to the public.

Audefi

Audefi organized a Forum on Youth issues in December, bringing together youth organisations from several regions of Fianarantsoa. Audefi also participated in a regional AIDS debate in October. Audefi is now a member of the Inter-Regional

Population Committee, The Local Youth Committee and the National Union of Civil Society.

Result 3: A social and political environment more conducive to citizen participation in the formulation and implementation of policies, rules and procedures and resource allocation decisions affecting the poor

Journalism

Pact provided continued training and mentoring to journalists in Mahajanga through to the end of 1999. This enabled 3 professional journalists to emerge from the lot and be recognized by the National Order of Journalists (Ordre de Journalistes). They have subsequently been hired by a new, professional media organization, M3TV /M3FM in Mahajanga.

During this period journalists were active on a number of regional issues including land tenure and water privatization, for which they organized public debates. Journalists also launched a press center and edited a news periodical.

A theft of the AJM association's computer equipment at the press center brought publication to a halt in January. A fundamental difference in philosophies between two groups erupted during this period, leading to the division of the members into two separate organizations and to a significant drop in AJM activities at the end of 1999.

Pact also pursued training and mentoring of Tatao journalists association in Fianarantsoa. Tatao successfully operates its press center, without project support, within the Alliance Francaise building.

Donors and projects

The proposed meeting between Pact and French Cooperation on a formalization of collaborative proposals developed with Paiq and Urban Project staff did not materialize. Pact has decided not to continue to actively pursue, as it had done in the past, opportunities for collaboration for a perceived lack of commitment on the part of the Cooperation.