



Cooperating Sponsor FY06 RESULTS REPORT

Submitted by:

Catholic Relief Services/Madagascar

To

**USAID/BHR/FFP/Washington
and
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1. Results Reports

Fiscal Year 2006 marked the third year of the FELANA project, and as such a mid-term evaluation of the project was conducted. Project activities focused on continued training of project staff, partners, and beneficiary groups, while new techniques and activities allowed the project to make important progress towards its goals for project completion in FY08.

Project Goal: Sustained improvement in household food security of vulnerable families in 4 regions of Madagascar by 2008.

The project's three objectives aim to increase the resiliency of household revenues, to improve the health status of the most vulnerable members of rural families and to promote and maintain the basic human dignity of the most vulnerable members of society.

A total of 2,600 MT of Title II food for distribution and 17,810MT of monetization Title II food were been ordered by Catholic Relief Services in FY 06. 7,000 MT of crude degummed soybean oil (CDSO) and 10,810 MT of Hard Red Winter wheat (HRWW) were monetized. The 2,600 MT of food in the form of corn soy blend (CSB), rice, pulses and vegetable oil were distributed through CRS's emergency response, Safety Net Centers and Food for Work sites.

The following table provides and overview of beneficiaries and commodities distributed under each activity.

Table One: Food Distribution in FY06

Activity	Total Beneficiaries	Commodities Distributed (MT)				Total
		CSB	Vegetable Oil	Pulses*	Rice	
Food Security Unit	30,095	0	13.264	20.489	224.013	257.766
Disaster Prevention, Mitigation & Preparedness	9,038	0	12.675	62.400	162.580	237.655
Safety Net	20,2970	1,285.328	144.124	11.664	67.163	1,508.279
TOTAL		1,285.328	170.063	94.553	453.756	2,003.700

* Pulses are composed of dry beans

During FY05, CRS and the other Title II PVOs encountered an Over Fortified CSB problem. In order to avoid commodity shortage at Safety Net centers level, CRS transferred commodities from the Food For Work program to Safety Net for the last quarter of the fiscal year with Local Mission approval.

The country did not have the capacity to quickly remix such a large quantity of CSB, as only one professional company can do the remixing work in accordance with FFP norms and requirements. For this reason, the CSB remained in storage until the second quarter of FY06 until it could be mixed.

The whole shipment of Beans (89 MT) for our first call forward was declared unfit for human consumption and was sold for animal feed. This decision was taken following a National Laboratory analysis, the results of which were confirmed by the surveyor. CRS's first call forward arrived late May/early June 2006, (there was a breakdown in the food pipeline from early February-March of this year) and the second call forward only arrived in piecemeal in late September, which negatively impacted program activities.

Strategies

The project aims to increase food security levels among the target population by increasing the levels of the three main components of food security – availability, access, and utilization – while also reducing their variability. Food security fluctuates both during the year (with the hunger seasons), and also between years with climatic variations affecting agricultural production, and price variations affecting revenue. All of these factors affect utilization. The project addresses issues of all three types of food insecurity that affect the target population – chronic, transitory, and seasonal.

Participatory processes characterize all phases and levels of the project including diagnosis, design, implementation, monitoring, and evaluation - with communities, partners, government, staff, and donors. At the community level, diagnoses are initially undertaken through Participatory Rural Appraisals (PRAs). The PRAs also form the basis for community planning. Communities and groups monitor and evaluate their own work plans. As such, communities develop capacities to identify, prioritize, manage, and evaluate their own projects. This is key to community ownership and independence. During implementation, participatory methodologies, that recognize, solicit, and value local knowledge and capacities, such as Farmer Field Schools and Hearth Model/Positive Deviance are utilized.

A. Annual Results

Note: Please see Annex One - Performance Indicator Tracking Table

SO 1. Strengthen the Resistance of household revenues

IR1 Increased agricultural productivity

During FY 06, Agricultural activities reached 9,293 households in the 4 intervention areas (Antsirabe, Toamasina, Farafangana and Mananjary). In real terms, 62% of the objective was obtained. In terms of the number of households adopting new techniques, 43% of the objective was achieved. The difference is due to difficulties associated with community adoption of a new approach, the Farmers Field School (FFS), as well as a limited capacity among field agents to monitor FFS activities. A large effort will be made in the upcoming year to make up for the gap of last year. Specific strategies on the catch-up strategies are joined to the report. Despite these difficulties, increases in rice and vegetable production were noted with the rice production target of 2,169 MT being met at almost 100% and the vegetable target met at 344%. The objective for bean production was also surpassed at 115% of the 2006 objective. This is the result of CRS focusing its support on crops that farmers show the greatest interest in, and during FY

2006, farmers showed the greatest interest in crops that they see as having the greatest impact on their food security, and on crops that can be sold for a profit in local markets. While both Cassava and sweet potato production was below targets (83% and 83% respectively), the overall results for crop diversification are seen as positive.

Strengthened partner and community capacity to reinforce household resiliency activities

FY 2006 was marked by the introduction of a number of trainings geared towards increasing and diversifying farm assets. The following table shows the various trainings provided.

Trainings organized and delivered for agricultural technicians and partners

Type of training and/or re-training	Number of farmers trained
Small animal husbandry	975
Rice cultivation	1,980
Diversification	1,000
Agro-forestry	526

The trainings in small animal husbandry have started to show positive results. Objectives for livestock holdings were surpassed for both ducks and poultry for 2006 at 104% and 135% respectively. Trainings in apiculture showed positive results with the objective being met at 200%, while trainings in pig raising led to 84% of the objective being attained. The impacts of these trainings are expected grow in FY2006.

Also, during FY 06, two dioceses undertook trainings for community vaccinators with the goal of making skilled technicians available to farmers to provide livestock vaccinations. 9 and 22 farmers participated in Farafangana and Antsirabe, respectively. In Mananjary, training on Community Forest Management (GCF) was conducted with 10 people from CRS and its partners participating. The training was co-led by ERI and the Ministry of Water and Forests. Finally, 20 people from CRS/MG and its partner participated in the ENCAP trainings conducted by USAID in Ranomafana and in Fenerive Est.

2006 was also the second time that the FFS Days were celebrated. This meant consecrating a day to share the findings of an FFS with the community. These events were helpful in further publicizing the FELANA project as an integrated food security project with its three components: agriculture, health, and marketing.

In other activities, collaboration with other rural development actors was developed with the intention of increasing the expected impacts of the project. For example, collaboration was continued with the FAO, Inter-Coopération Suisse, and the ERI program for the institutionalization the FFS approach.

CRS/MG increased its emphasis on Food For Work activities targeting accessibility, agricultural infrastructure, and the environment. Nine different projects rehabilitated a

total of 86.5km of road; seven canal rehabilitation sites were implemented and, as a result, a total 41km are currently in use as; six dams are currently under construction to improve the availability and quality of irrigated agricultural land for rice cultivation, which will allow for the recovery of 350 ha of agricultural land. CRS/MG also collaborated with ERI/Fianarantsoa so as to optimize available resources and expertise and to attain greater impacts. The Alliance jointly funded the construction of the Kelilalina dam, situated in the Mananjary diocese between Ifanadiana and Ranomafana. More than 30ha of rice fields are irrigated by the system, which aims at improving agricultural productivity and access to markets. In regards to tree planting and natural resource management, a total 116 ha of land were covered.

IR2: Increased revenue from commercial sales

The Territorial Approach initiated by CRS Madagascar focuses on identifying income-generating crops within a well-defined territory (community or region). Besides community level actions, which showed a significant impact on the revenue of farmers, CRS strives to make these actions sustainable by supporting the formation of a regional Agro-Enterprise Team. The goal for this team is to create action plans for integrated agricultural development projects.

The visit during FY 2006 of the USDA Manager and South Africa Regional Officer to Antananarivo provided an opportunity to observe the value added for participants adopting this approach. Several farmers testified to the effectiveness of the approach, the ease of adopting it, and its tangible impacts on the finances of households. In addition, through a series of “National Learning Alliance” workshops, held in August and November 2006, CRS has sought to capitalize on the benefits of this approach by bringing together a variety of partners who work in Agricultural Marketing. CRS will also be responsible for organizing another workshop to be held in November 2007.

For FY 2006, the number of households trained on Marketing Territorial Approach reached 5,914, spread over the four partner dioceses as outlined in the following table:

Activities in the territorial approach

Diocese	Antsira be	Mananja ry	Farafan gana	Toamasi na	Total 2006	Object ives	
1. Territory / Interest Group							
Members of the AE Team -	9	10	12	20	51	50	
Development of monographs	41	4	3	33	81	50	
2. MOI							
- Participative Market research	14	11	3	11	83	100	
- Identified income-generating products	10	11	7	11	36	N/A	
3. IAP							
- Workshop	17	2	3	2	24	8	
- action plan Development	17	2	2	2	23	8	
- Nb of "adopting" farmers	457	500	80	550	3,459 58%	N/A	
4. RBDS							
- Joint Action plans	5	7	2	3	17	4	
- Training of technicians	75	25	-	35	147	150	
- Number of trained farmers	614	500	80	1,920	5,914 92%	6,445	

Source : CRS-MG Minimum Data Set

This above data shows that 92% of the target objective was met in terms of the number of farmers trained while 58% of those trained adopted the activity. By following the Territorial Approach, farmer revenue from commercial sales surpassed the 2006 target, representing 162% of the objective.

Finally, in terms of mobilizing the resources of the FELANA project in FY 2007, a series of trainings are planned for each target community. These trainings include food storage techniques and simplified economic management at the household level.

Diocese	Antsirabe	Mananjary	Farafangana	Toamasina		Total 2006	Objectives
-Training on food technical storage (Nb of farmers)	10	28	52	93	-	183	
-Training on simple accounting (Nb of farmers)		28		93		121	N/A
-Number of NGOs Agents trained on territorial approach	13	31	12			56	N/A

Source : CRS-MG Minimum Data Set

During FY06, CRS/MG was solicited by other entities to assist in the training of their agents on the Marketing Territorial Approach. These solicitations came from the Ministry of Agriculture, Livestock and Fishing (MALF), CTHA, FOFIFA and Ny Tanintsika. In total, 41 agents from CTHA, FOFIFA and Ny Tanintsika were trained during FY 06 while the MALF Agents were trained in early October 2006.

In November 2005, CRS/MG organized and led the FY 2006 NLA (National Learning Alliance) meeting which had as an objective to not only share experiences and good practices but also to ensure coherent approaches in terms of Agricultural Marketing. A total of 35 participants participated at the meeting.

CRS initiated two other projects in 2006 that compliment FELANA marketing activities. A Food Resource Bank sponsored project provides additional training on marketing to farmers who have benefited from FELANA, facilitates the process of formalizing farmer groups, and provides funds for farmer groups to contract services that will improve their earning potential. The project also seeks to strengthen farmer support services in the intervention zones of Toamasina and Antsirabe. A new project funded by USDA seeks to scale up the marketing activities of FELANA by introducing a credit component to allow farmers to better invest in their marketing activities. This new project will be working in the dioceses of Fenerive Est, Toamasina, Alaotra, Mangoro, Antsirabe, Mananjary, Farafangana, Anosy, and Androy,

IR 3: Reduced crop and asset losses

Through its activities, the Risk and Disaster Mitigation (RDM) section reached 4,100 households during fiscal year 2006 in the 4 intervention zones (Antsirabe, Toamasina, Farafangana, and Mananjary). As the 2006 goal was to reach 3,150 households, actual activities allowed the project to surpass this goal by 30% (130% of goal). In relation to the final project objective for 2008, the total proportion achieved is 80%.

Trainings on food storage techniques were initiated in 2006 so as to contribute to achieving the objective of reducing losses of assets/materials and principle crops following the passage of cyclones. At this point in the project, no data is available to determine how risk and disaster mitigation activities have influenced communities' resiliency in the face of a disaster, as no significant disasters hit the intervention zones in 2006.

IR 4: Strengthened partner and community capacity to reinforce household resiliency activities

2006 saw the continuation of the Disaster Mitigation, Prevention and Preparedness Plan (DMPP), or the "Plan d'Action Communautaire (PACOM). These plans are elaborated by the communities themselves through infrastructure rehabilitation projects (trails, sewage and/or irrigation canals, latrines), tree planting, and awareness raising activities. All of these plans take into account existing communal and regional development plans.

According to DMPP norms, the community must develop 50 % of prevention and mitigation activities (CRS also uses this norm to determine when a community is "implementing" their DMPP). The Food for Work approach (FFW) is used for the implementation of DMPP sub-projects in the areas of (cyclones, floods, illnesses associated with diarrhea) health and hygiene, for infrastructure rehabilitation projects (communal trails, canals, wells, and latrines) and tree planting. Each community forms a committee to manage and maintain new or rehabilitated infrastructure elements. This committee receives maintenance and management training so as to ensure the sustainability of the projects. During 2006, 6,979 individuals participated in FFW activities as related to the implementation of DMPPs.

While the objective for 2006 was to have 15 DMPPs being implemented, only three met the 50% criteria. This is largely due to the fact that a large number of the DMPPs established in 2005 (300% of the 2005 target) had already met the 50% criteria, and therefore could not be counted again in 2006, despite the ongoing implementation of their DMPPs. Considering this fact, the project is well on track to meet its LOA goal of 40 DMPPs being implemented

Natural Resource Management activities include, among others, the transfer of natural resource management from the state to the community level and tree planting or reforestation. As for the indicator related to "number of hectares protected through Natural Resource Management measures," the 2006 objective was attained at 136%. This was achieved as a result of the reforestation of 91 ha of land, which also allowed for the distribution of food rations to the 8,973 individuals who participated in the reforestation activities. If activities are maintained at the current pace, it is anticipated that the project goal of protecting 250 ha of land will be attained by the end of 2007. This is realistic as the partners in Farafangana and Antsirabe will have two seasons to carry out reforestation activities.

SO 2: Improving health status of the most vulnerable members of rural families

This 2nd strategic objective involves improving the health conditions of the most vulnerable members of rural families and includes 3 Intermediate Results (IR). In general, results as related to behavior change among participants were satisfactory. This is due in part to the field staff's motivation in communicating sanitation and nutritional information to households and communities. As is the case with the agricultural activities, the challenge remains reaching the targeted number of beneficiaries.

IR 1: Improving nutritional habits for the whole family, especially for young children

Overall, the 2006 results in terms of behavior change for IR2 were positive. The 2006 target for exclusive breastfeeding of children under 6 months was attained at 92.3%. The diarrhea rate of children between 6 and 59 months decreased from the baseline of 22.4% to 1.7%, the 2006 objective being 12.5%.¹ There was, also an increase in the number of children who receive more liquid when they suffer from diarrhea. From the 83.5% targeted for FY 06, the project reached 91.4% of children with diarrhea who received liquids during their illness. These successes are due largely to the effective sharing of health and nutrition messages throughout participating communities. These messages are shared both via Diocesan staff and community volunteers and via communication tools like t-shirts and pamphlets.

In regards to the number of stunted children, the results were also positive. The percentage of stunted children between 6 and 24 months was 22.77% at the end of 2006, compared to the goal of 33.4%. The trend was also positive for children between 6 and 54 months; the 2006 result was 23 percent, while the objective for 2006 was 39%. CRS feels that these successes are the result of the positive behaviors learned through the PD/Hearth model.

The great challenge for 2006 was spreading health activities to the targeted number of households. In total, 40,660 households were reached in 2006, compared to the annual target of 45,000 (88% of target met). This is largely due to the fact that a number of targeted communities had not yet been reached in the Farafangana Diocese. As of the writing of this report, activities have been initiated in these communities, and the benefits are expected to be seen in 2007. Additional catch-up strategies for health activities are included in annex to this report.

¹ It should be noted that this figure is dramatically different from the 26.33 percent diarrhea rate reported during the FELANA mid-term evaluation. There are three explanations for this. First, the evaluation was conducted during the rainy season; the question asked to mothers was "Has your child had diarrhea in the last 15 days." As diarrhea is always more frequent in the rainy season, it is not surprising that the response is higher than when asked in October (when the annual survey was conducted). Second, those responding to the mid-term evaluation are not all participating in the project, while those counted for the annual survey are all project participants. This is due to the fact that during project activities, mothers are asked during weighing if their child has had diarrhea. As such, the question is asked only to project participants who are assumed to have better health and sanitary practices. Finally, the 2006 FELANA result is in line with that of 3.92% result in 2005, making us confident that the current finding is correct.

IR 2: Improved household prevention and management of priority diseases for children

In addition to sanitary education, preventative measures such as building water points and latrines were implemented in certain communities targeted by our partners through the results of PRAs. The number of families using latrines increased to 65.2%, surpassing the 2006 objective of 49.7%. In addition to the positive impacts of the educational messages mentioned above, the construction of model latrines in communities encouraged a number of communities to build additional latrines with inexpensive, locally available materials.

There was a net increase of 87% in the rate of vaccination for children between 12 and 24 months (representing 221.6% of the 2006 objective, which is estimated at 39.8%). These results were achieved thanks to awareness campaigns and educational sessions on sanitation led by mothers who volunteered alongside health educators. Also contributing to these results was the successful collaboration of the field workers with those in charge of sanitation education sessions in the communities as well as the organization of Vaccination days by Ministry of Health.

Regarding malaria prevention, there was an increase from 66.8% in 2006 to 74.3% (100% of the target) in the number of children under the age of 59 months sleeping under a mosquito net, also for the reasons stated above.

IR 3: Reinforced partner and community capacity to support nutrition and preventative health care

During 2006, CRS managed to secure funding from other donors, allowing for scaling up of FELANA activities. In the area of water and sanitation, CRS built 13 new hand pump wells in the Ihorombe region through the Church of Jesus Christ of Latter-Day Saints funded Ranotsara project. The project also allowed for the construction of 4 new hand pump wells at health centers in Vangaindrano. In total, 40 new hand pumps were installed throughout the FELANA intervention zone. These promote increased partner and community participation in that all sanitary infrastructures such as latrines and wells are in large part managed by community committees comprised of project agents.

CRS, through its local partners, also partners with Santénet to implement the Kaominina Mendrika approach in eight FELANA communes. This approach mobilizes all sectors of a community to work together to attain important and achievable goals. As many of the health indicators for KM relate closely to FELANA indicators, this partnership has been very helpful in reaching the goals set out under FELANA. An evaluation recently conducted by Santénet and CRS found that each of the eight communes covered by the KM approach had attained all of their objectives, and are therefore considered to be “Champion Communes.”

CRS has also taken steps to better coordinate its water and sanitation activities with other NGOs and official structures by participating fully in the Hygiene Improvement Program

(HIP) and in the national Water, Sanitation and Hygiene platform (WASH). CRS is present at all HIP meetings, allowing for better collaboration with other NGOs working in water and sanitation.

SO 3: To promote and maintain the basic human dignity of the most vulnerable members of society

This year, the majority of planned activities for the Safety Net component of the FELANA project were carried out. Almost all of the indicators related to these activities were significantly surpassed.

IR 1: Increased levels of food availability to people served in 100 safety net centers

As detailed in the below table, the results of the Safety Net activities of the FELANA project are satisfactory in regards to the objectives set for FY 2006 and for the life of the project. In fact, the number of beneficiaries at the end of September 2006 represented 169.7% of the target for FY 2006 and 134.6% of the target for the life of the project. Due to this increase in beneficiaries, there was also an increase in the number of rations distributed. As a result, the 2006 target for food distribution was achieved at a level of 114% at the end of September 2006.

Number of centers and beneficiaries during FY 06

Diocese	Number of Centers	Number of Beneficiaries
Toamasina	17	1,652
Antananarivo	33	6,700
Antsirabe	15	3,547
Fianarantsoa	17	4,574
Farafangana	10	3,429
Mananjary	10	1,641
TOTAL	102	21,543

New Centers

CRS accepted 18 new applicants into the Safety Net program in 2006. Three are in the diocese of Toamasina, two in Antananarivo, five in Fianarantsoa, three in Farafangana, and six in Mananjary. One center in Antsirabe withdrew from the program following a decision to re-orient the center's mission. As a result, the total number of centers at the end of FY2006 is 102, which represents 102% of the objective for the year and 100% of the LOA objective.

Training the leadership teams of the new centers

After the integration of the 18 new Safety Net Centers, information sessions on the program, as well as on managing food aid, were conducted for the leadership teams of the centers. The Justice, Peacebuilding and Solidarity (JPBS) led training on programmatic aspects of the Safety Net program during the National Safety Net meeting in November

of 2006. The Shipping department provided all training on the management of food aid. In addition, during each monitoring visit, the CRS/MG team provides a technical training so as to strengthen their skills.

IR 2: # of beneficiaries trained and involved in income generating activities

So as to facilitate the development of small income generating projects at the centers, the JPBS unit organized a two-day training for the directors of category A and B centers in the Dioceses of Fianarantsoa, Antsirabe, Mananjary, Farafangana, and Toamasina. Two people represented each center and there were a total of 112 participants. The diocese of Antananarivo had already benefited from this training in 2003, and due to budget restraints it was decided to not include them in this training.

In other income generating focused activities, two Safety Net centers received financing from CRS headquarters to formalize a Fair Trade relationship with SERRV International, a US based Fair Trade crafts organization. This new relationship will significantly increase the income of center beneficiaries, while opening their crafts to the international market. While these projects are not financed by FELANA, the end result of financing income-generating projects for Safety Net centers remains the same.

In the case of FELANA, five small projects were submitted to CRS. Despite the extensive assistance provided by JPB staff to improve the quality of the proposals, only one of these proposals was approved. As a result, only 20% of the 2006 objective was attained. If, however, one considers the Fair Trade project, 60% of the objective was attained. There were thirty participants in the project financed by FELANA, and another 62 in the Fair Trade project financed by CRS headquarters. The total number of beneficiaries that participated in development activities in all of the centers reached 1,864, which represents 124% of the 2006 objective and 93% of the LOA objective.

With a vision towards increasing the number of centers able to participate in Fair Trade activities, the JPB unit--also in collaboration with SERRV--provided training on market trends, production techniques, and pricing. The immediate result of this training is that centers are now better equipped to increase the quality of their production to meet the demands of new markets.

IR 3: Reinforced partner capacity to support safety net activities

As a result of activities carried out by the Safety Net centers, the target for this fiscal year was surpassed. There are currently 47 level "A" centers², representing 134% of the FY 2006 goal and 98% of that for the project life. One center attained level "A" status this year while three reached level "B" status. This means that 54% of the centers are currently classified as level "A", 31.7% are level "B", while 14% are level "C".

While it is disappointing that increasing poverty in Madagascar has increased the need for Safety Net Centers, it is heartening to see that FELANA centers are increasingly able to respond to the needs of their beneficiaries. CRS attributes the success of the Safety

^{2 2} Category A Safety Net centers are defined as already undertaking development activities; category B centers have the potential to undertake development activities; category C are limited to assistance bases activities.

Net program to a number of factors. In terms of food distribution, the CRS Commodities Unit has worked in close collaboration with the JPBS Unit to analyze food availability and demand within the centers. This has made it possible to quickly determine the possibility of adding new beneficiaries and to get food to those centers. In addition, regular capacity building sessions with the centers have increased their management capacity, allowing them to expand their activities in both the areas of food distribution, and in supporting development focused activities.

Other Activities

National Meeting

At the start of the fiscal year, a National Meeting assembling all of the leadership of the Safety Net centers was organized in Antananarivo. This meeting was held between November 16 and 18 in the CRS/MG Training Center. 93 Safety Net centers, 4 Diocesan partners, 2 USAID representatives and 24 CRS/MG staff participated in this annual meeting. In addition, the General Director of the *Ministère de la Population et de la Protection Social* was in attendance to share information on the national policy in regards to social protection. The goal of the workshop was to improve the quality of services provided to center beneficiaries. At the end of the meeting, it was agreed that new themes should be integrated into the Safety Net program, such as training on HIV-AIDS, building the capacity of center directors, and networking.

Integration

Partly in response to the determined needs at the level of the Safety Net centers and also based upon new information regarding which parts of society are most vulnerable, the JPS unit decided to provide trainings on HIV/AIDS and Human Rights to Safety Net managers. Seventy-seven directors of 50 centers participated in the two-day HIV-AIDS training while 112 representatives benefited from training on human rights.

Another step taken to promote integration of CRS activities was to invite MISONGA staff to facilitate the national safety net meeting. In addition, the Shipping and Audit units also helped to facilitate this event.

Finally, this year the JPS unit organized the National Technical Meeting for the 5 components of FELANA, which took place in Antsirabe from April 23-28. This meeting focused on the present mid-term FELANA evaluation results and the elaboration of an action plan based upon the recommendations of the evaluation.

Diversification of Resources

This year, the JPS unit continues to work with other donors and a number of SN centers benefited from these partnerships. For example, the *Sœurs Missionnaires de la Charité* received new beds from a partner congregation in Davenport, Iowa. The same congregation also provided school supplies to the Talatanivolonondry center.

Monitoring and Evaluation

To assure the quality of activities, several types of Safety Net visits were conducted.

Technical visit: Members of the JPS department of CRS/MG carried out these visits so as to monitor the use of food and to see up close how the project was impacting beneficiaries. However, due to reorganization, the number of technical visits was reduced in 2006

Supervisory visit: Members of the Commodity Management Team, Field Accountants, and the Internal Audit Team make visits to centers to assure proper management of centers. Two visits per center were conducted during 2006, and based upon recommendations made during these visits improvements in the managements of food aid were made at the center level.

Action Steps for 2007

Increase the number of beneficiaries and increase the number of centers: Following a Commodity Management led analysis, the unit plans to integrate two new centers into the program. One center is located in Fianarantsoa and the other is in Antsirabe. With these new centers, the number of beneficiaries will increase to 21,605 for 2007.

Project Development: For 2007, the JPB unit plans to finance 4 new SN projects, including one in Mananjary and one in Antsirabe.

Training: So as to strengthen the capacity of SN partners and to better integrate the SN component, JPS will provide three types of training:

- Monitoring and evaluation
- Counseling and child abuse prevention
- Fair Trade

B. Monitoring and Evaluation, Audits and Studies

1. Monitoring and Evaluation

The mid-term evaluation for FELANA was conducted in FY 2006 and was carried out with the participation of all project stakeholders. Both qualitative and quantitative aspects of the implementation were assessed and the results of the mid term evaluation were presented to the USAID Mission on September 14th.

Although the indicators showed good trends on the improvement of practices, some of them still require greater effort and more appropriate strategies to ensure that project objectives will be achieved. Specific catch-up strategies are attached in appendix two of this report. These strategies as well as 2007 activities were identified and discussed during individual unit retreats during 2006.

Implementation and use of the FELANA project Monitoring and Evaluation System
During FY 05, CRS/MG elaborated and started to implement a specific and improved system to monitoring and evaluate the project. The established system is participatory in that it promotes the input of all structures working in FELANA.

CRS staff, partner staff, and beneficiaries: Dynamic and Iterative

Starting in FY 2006, monitoring tools such as forms and checklists were used in the field at the partner level. This year, further steps were undertaken to create better linkages between all of the available tools. Tools that simultaneously link Planning tools (Annual planning, quarterly planning), reporting tools (Annual report, quarterly report) and technical management performance tools were developed, tested in the field, and will be implemented starting in FY 07. The tool will first be used at partner level so that they will be able to immediately see their performance, allowing them to carry out more thorough analyses and to make well-informed decisions.

So as to be able to collect data relative to outcome indicators (Intermediate Results), a series of mini-surveys were conducted by CRS partners, under the supervision of CRS, in the FELANA intervention zones.

For the Agricultural component of the program, 1,663 households were surveyed for information on their agricultural production. The main objective was to collect data allowing the assessment of crop yield among farmers who have participated in FFS. The same process is done for livestock. This survey stressed personal production and sought data for the following areas:

- Crops produced during the Farmer Field School
- Area of land cultivated during the Farmer Field School
- Crops produced by farmers in their own exploitation, following the new production techniques
- Area of land cultivated by farmers on their own farm

For the marketing component of the program, the main objective was to quantify household income from the sales of their crops. For the sampling, households involved in the agricultural component of the program were surveyed if they had also participated in a marketing group. The survey asked participants about the crops they sold and the price they received for the sales.

For the Health component, 816 mothers were surveyed so as to determine their behavior in regards to exclusive breastfeeding and hygiene.

The results of these surveys are included in the IPTT table in Index 1.

2. Audits and Studies

During FY 06, the Internal Audit (IA) team implemented the following activities:

Partners site visits and assessments

- Two site visits for each of the FELANA four diocesan partners: Caritas Antsirabe, Caritas Farafangana ODDIT Toamasina and BDEM Mananjary.
- Site visits to distribution centers for the Safety Net program during March 06. In total, 103 distribution centers were visited.

Follow-up on and closure of recommendations

From January to February 2006, Internal Audit from CRS/HQ in Baltimore audited the CRS/MG program. The audit covered the period from October 1, 2004 to December 31, 2005.

Due to effective efforts on the part of the CRS/MG Internal Audit, and with close working collaboration between the Program and the Operations Department, CRS/MG met the closure deadline, and sent its responses to audit recommendations. Moreover, the related supporting documents were issued on time. Out of the 22 conditions containing several recommendations, two recommendations remain open and are in the process of being closed: one requires USAID feedback and the second one is expected to be closed during the 1st quarter of this FY 2007.

Audit at CRS Main Office and Regional Offices

In order to put in place systematic and sustainable systems ensuring compliance with procedures, CRS/MG has restructured the Internal Audit unit to allow full independence in terms of its roles and responsibilities. In the meantime, Field Accountants have been put in place to ensure that appropriate follow-up is made to close audit recommendations at both the CRS level and at the partner level. As part of the newly established systems, monthly IA meetings are held for the Senior Management Team in order to review the status of audit recommendations. The ultimate goal is to reduce audit recommendations and demonstrate 100% compliance with CRS and donors procedures.

During FY 2006, the IA achieved an audit of General Management at the CRS/MG main office and a visit to the regional offices. The audit scope included General Management, Financial Management and Commodity Management. The newly established system calls CRS/MG to close recommendations within 60 days after the date of issuance of the report from IA CRS/MG.

Finally, based on FY 2006 experiences following the establishment of the IA new system, CRS/MG feels that it will be important to develop and test tools that allow it to be more efficient in monitoring the IA recommendation closure process.

Trainings

Specific trainings attended by CRS/MG staff this year include:

- One staff member attended a Result based management, Appreciative inquiry and Open space technology held in Ottawa Canada. These topics will help CRS/MG to better manage its projects by keeping on track with expected results and by managing implementation in an appreciative manner. This approach aims to stress positive achievements and motivate staff to improve non performance-related results.
- Two people attended the Africa Water conference held in Addis Ababa Ethiopia. This experience will allow CRS/MG to improve the way that water and sanitation

activities are implemented and to ensure that they are well integrated into other programming activities.

- Three staff attended the Rural Business Development Conference held in Thailand and Viet Nam, allowing CRS/MG to share its experiences in agricultural marketing and to learn from the experiences of others.

C. Expenditure Report – Not required

D. Monetization Sales

1. Analysis of Monetization Transaction(s)

Actual Monetization Cost Recovery	Call Fwd 1		Call Fwd 2
1- Call Forward ID (CCC) Number	6360	6368	6347
FARES #	CR-06-00149	CR-06-00260	CR-06-00143
2- Sale date	11/10/2005	11/10/2005	10/14/2005
3- Commodity	HRW Wheat	HRW Wheat	CDSO
4- Tonnage per Bill of Lading (MT)	5,000	5,810	6,999.792
5- Exchange rate	Payment in US\$		Payment in US\$
6- Actual commodity cost as shown on BOL (\$)	857,997.25	987,296.6	3,631,073.46
7- Actual shipping cost as shown on BOL (\$)	1,391,250	698,472.2	1,205,714
8- Foreign flag vessel was used	FF	FF	FF
9- Lowest valid foreign flag freight cost (\$)	350,000	406,700	489,985
10- Inland freight actual (\$)	0	0	0
11- Actual sales price (\$/MT)	190	190	500
12- Total proceeds at actual sales price (\$)	950,000	1,103,900	3,499,896
13- Local cost of monetization (transaction costs) (\$)	0	0	0
14- Net proceeds (\$)	950,000	1,103,900	3,499,896
15- Net proceeds / FF shipping	79%	79%	85%
16- Net proceeds / actual shipping	42%	65%	72%

Since FY 2000, CRS/Madagascar has been the leading agency of the Madagascar Monetization Consortium (MGMC), which includes CRS, CARE and ADRA.

The MGMC monetized 7,000 MT of Crude De-gummed Soybean Oil (CDSO) and 10,810 MT of HRW Wheat (HRWW) during FY 2006 to satisfy the FY06 budget requirements for the three cooperating sponsors.

The CRS/MG cost recovery against foreign flag shipping was 85% for CDSO, average 82% for HRWW and the actual cost recovery against actual shipping was 42% for CDSO and an average 69% for HRWW. However, because these calculations use the commodity price per MT on the bill of lading as part of the equation, these calculations do not reflect whether CRS Madagascar met the fair market price.

In FY06, CRS concluded two sales for the following commodities: CDSO and HRWW. FY06 can be characterized as a challenging business environment year for monetization in Madagascar, as a direct result of:

- Ocean freight rates are currently at a record high with the continuing devaluation of local currency.
- Difficult achievement of the cost recovery due to price fluctuations between times of contract signing with the Buyer, the time of the call forward, and the time of commodity purchase.
- Title I monetization commodities have disturbed the Title II monetization in terms of storage availability (silos), marketing cycle, and delivery period.
- SGS taxed the Buyer based on US freight rate showed in the Bill of Lading. This will have a negative impact on the upcoming monetization.
- Old grain offloading equipment at the port (the renovation of the facilities is on-going).
- Late approval of the Results Report for FY06, which had an impact on the monetization plan.

As a result, CRS encountered some obstacles in discharging some monetization commodities. Halfway through FY06, it was clear that there would not be enough buyers in the country who could import commodities in bulk.

Crude De-gummed Soybean Oil (CDSO): CRS/Madagascar on behalf of the MGMC has sold 7,000 MT of CDSO following a tender bids process advertised in the local newspaper with the negotiated sales option. Only one Buyer has expressed their interest on the CDSO: TIKO. TIKO was the awarded bids, which responded to the following criteria:

(1) Sealed bids; (2) Had adequate storage capacity at the time of delivery period; (3) Had adequate funds in the bank; (4) Accepted the full payment of sale in foreign currency at the time of arrival of the vessel upon presentation of the Bill Of Lading and the Commercial invoice; (5) Able to issue the secured payment (bank guarantee) 15 days after the signed contract; (6) Accepted the time of arrival of the commodity stipulated in the sales contract; (7) Accepted to sign contract before the call forward schedule. The contract was signed in October 14, 2005. As demonstrated in the table below, CRS/Madagascar met the fair market price. The commodity was delivered in one shipment on January 2005. TIKO was able to provide financial guarantees and payment of the \$3,500,000.

Hard Red Winter Wheat (HRWW): CRS/Madagascar on behalf of the MGMC signed their second sales contract of FY06 with KOBAMA, the only wheat miller in the country, for 10,810 MT of HRWW amounting to \$2,053,900 on November 10, 2005. It was arranged for the commodity to arrive in two vessels, taking into consideration the Title I monetization commodity (soybeans). The commodity has been delivered, although it should be pointed out that Les Moulins de Madagascar/Seaboard took possession of KOBAMA. Les Moulins de Madagascar/Seaboard was able to provide financial guarantees and payment.

Steps taken: CRS/Madagascar has taken several steps to address the difficulties experienced over the last year of monetization operations. During FY06, CRS Headquarter Shipping Director and Senior Monetization Advisor worked closely with the CRS Monetization Manager to resolve the various issues. In addition, the CRS Regional Monetization Advisor spent several weeks in Madagascar to conduct the Bellmon Analysis and the MGMC led by CRS/Madagascar held a monetization meeting every month during FY06.

Lessons learned: Having the lead Monetization Agent review the importation and financial processes allowed CRS/MG to have great successes in FY06, despite the difficult economic environment.

2. Monetization Results

A. Maximizing Value of Proceeds

CRS, as always, tried to obtain the best price possible by being fully abreast of local and international market prices. Since FY 2002, CRS/Madagascar has a staff member fully dedicated to monetization activities. CRS also consults with its regional monetization specialist on a regular basis. This specialist was instrumental, along with HQ staff, in ensuring the success of all sales. CRS/Madagascar continues to adapt its monetization strategies according to lessons learned.

B. Monetization Sales Impacts

The most recent approved Bellmon analysis of October 2005 demonstrates that importing 7,000 MT of CDSO and 10,810 MT of HRWW has had no significant impact on the local market and each represents less than 10% of total annual imports for these commodities. In fact, US commodities are not locally produced in large quantities and are entirely appropriate for importation to Madagascar. Monetization sales generated funds for CRS, CARE and ADRA development activities, promoted local industries, and sold high quality US products at a fair market price.