

# **Proposal for Catalytic Fund Committee**

## **Support to Education for All Implementation in Madagascar:**

Ensuring implementation of key activities of the endorsed  
EFA Plan during the period of political transition

A proposal prepared for the Catalytic Fund Committee  
Education for All Fast Track Initiative

by the technical and financial education partners in Madagascar

November, 2009  
Rome, Italy

<b>Country</b>	Madagascar
<b>Title of Proposal</b>	Support to Education for All Implementation in Madagascar: Ensuring implementation of key activities of the endorsed EFA Plan during the period of political transition
<b>Amount requested</b>	15,000,000 USD
<b>Time frame</b>	January – June 2010 (with construction guarantee period continuing until mid-2011)
<b>Objectives</b>	<p>The project will contribute to the following objectives set out in Madagascar's Education for All Plan, endorsed in February 2008 as the basis for the Fast Track Initiative application:</p> <ol style="list-style-type: none"> <li>By 2010, ensuring that all 6 and 7 year-olds are enrolled in first grade</li> <li>By 2015, 100% achievement of five years of primary education and 75% achievement of 7 years of primary education</li> <li>No child will be excluded from school because his/her parents do not have the financial means to contribute to school expenses</li> <li>All students attain the basic skills envisaged at the end of each school cycle</li> <li>By 2015, reduce the repetition rate to 5% for the new 7 year primary cycle</li> </ol> <p>Specific objectives for the proposal include:</p> <ul style="list-style-type: none"> <li>Ensure that 38,585 teachers recruited by parents' associations (FRAM teachers) receive salary subsidies during the first four months of 2010</li> <li>Ensure that schools in the 10 regions targeted by the Ministry of National Education (MNE) for the local catalytic fund (LCF) receive cash support to reduce vulnerability</li> <li>Ensure the construction of at least 263 classrooms for communities without schools and incomplete cycle schools</li> </ul>
<b>Focus Population</b>	<p>At least 1.9 million students of the 38,585 FRAM teachers          Around 1.7 million students in 9,755 schools receiving cash support          Around 13,000 students in 263 classrooms benefiting from new classrooms<sup>1</sup></p>
<b>Geographic Coverage</b>	<p>For payment of FRAM teachers, the project will have national coverage</p> <p>For the LCF, the regions of Analanjirifo, Androy, Anosy, Atsimo Andrefana, Atsinanana, Boeny, Ihorombe, Menabe, Vakinankaratra, Vatovavy Fitovinany</p> <p>For classroom construction, the project will target incomplete primary cycle schools and communities without schools in regions to be identified in consultation with the MNE technical team in charge of school construction</p>

<sup>1</sup> The number of classrooms is an estimate based on current unit costs. The exact number will be determined according to the unit costs at the time of implementation.

<b>Programme Partners and Implementing Agencies</b>	Postal office for distribution of salaries NGOs for implementation of LCF For classroom construction, implementing agencies will include UNICEF, ILO and Action Aid
<b>Country Contacts</b>	<ul style="list-style-type: none"> <li>• Bruno Maes, UNICEF Representative in Madagascar, <a href="mailto:bmaes@unicef.org">bmaes@unicef.org</a>, tel.+261 32 05 399 36</li> <li>• Valerie Taton, UNICEF Deputy Representative, <a href="mailto:vtaton@unicef.org">vtaton@unicef.org</a> tel. +261 33 15 411 37</li> <li>• Margarita Focas Licht, UNICEF Chief of Education, <a href="mailto:mfocaslicht@unicef.org">mfocaslicht@unicef.org</a>, tel. +261 33 15 411 46</li> </ul>

# 1. Executive Summary

## 1.1 Country Profile



Population:	19.68 million
(Source INSTAT 2007)	
Population <18:	9.3 million
(Source INSTAT 2006)	
External consultations to Health services:	39%
(Source EPM 2005)	
Infant mortality:	58/1000
(Source DHS 2003-2004)	
Under-five children mortality:	94/1000
(Source DHS 2003-2004)	
Maternal mortality:	469/100,000
(Source DHS 2003-2004)	
Children 12-23 months fully immunised:	71.5%
(Source EPI Coverage Survey February 2008)	
Underweight prevalence amongst children <5	42%
(Source DHS 2003-2004)	
Stunting amongst children <5:	48%
(Source DHS 2003-2004)	
Exclusive breastfeeding rate children <6 months:	67%
(Source DHS 2003-2004)	
Access to safe drinking water:	35%
(Source DHS 2003-2004)	
Access to appropriate sanitation:	54%
(Source DHS 2003-2004)	
Net school enrolment rate - primary level:	86.8%
(Source Ministry of Education, 2008)	
Primary cycle completion rate:	60.2%
(Source Ministry of Education, 2008)	
Repetition rate:	19.7%
(Source Ministry of Education, 2008)	
Adult Literacy Rate - >15 years	
(Source EPM 2004)	
Women	56%
Men	63%
Children under-5 with Birth Certificate:	75%
(Source DHS 2003-2004)	
HIV prevalence among pregnant women:	0.95%
(Source National AIDS Council, 2003)	

## **1.2 Introduction**

Madagascar's Education for All (EFA) plan was endorsed in February 2008 by 13 technical and financial partners contributing to education sector development in the country<sup>2</sup>. In the preparation of the EFA plan and throughout 2008, the Ministry of National Education (MNE) made immense efforts to develop key strategies in classroom construction, teacher training, curriculum and textbook development, educational management, capacity building, support to vulnerable school districts and other key areas of education policy development.

The 2009 political crisis has had an impact on the education system on many levels: the EFA implementation has slowed down, the MNE budget has been cut by 20% and some donors have blocked their funds to the sector while awaiting an agreed solution to the political situation. Other donors have agreed to complete existing projects but are not negotiating new projects. There is uncertainty around the availability of the remaining 80% of the Ministry budget in real terms, and doubts regarding the MNE's ability to prepare the 2010 budget in time to implement key activities during the first part of the year.

In this context, the local technical and financial partners, co-led by the World Bank and UNICEF, have organized periodical monitoring of the education sector to identify risks and ensure appropriate actions, with a view to minimize the impact of the crisis. A key concern of the partners is to address the educational needs of particularly vulnerable populations, and to work together so that Madagascar will not lose the allocation of USD 85.1 million approved in 2008 by the FTI Catalytic Fund Committee for 2009-2011. As a temporary solution, the partners therefore request the Fast Track Initiative to release an initial allocation of 15 million USD to UNICEF for the period of January-June 2010.

UNICEF is prepared to manage this allocation for the following reasons: UNICEF has been closely involved in the implementation of key EFA Plan activities over the years, including in classroom construction with Catalytic Funds and in the implementation of the Local Catalytic Funds to reduce sub-national disparities in education. During the crisis period, the organization has stepped up efforts to reduce vulnerability and support schools, maintaining technical collaboration with the MNE at all levels while at the same time enlarging collaboration with civil society. In general, UNICEF has increased its presence on the ground for program development and monitoring, using the current situation as an opportunity to strengthen the base through school improvement and local level capacity building.

## **1.3 Objectives and key results**

Under the overall objective of mitigating the impact of the political crisis on the education sector, minimizing loss of the achievements that have been made through joint efforts over the past years, the key results for the proposed time frame of 6 months are as follows:

- Ensure that 38,585 FRAM teachers receive their salary subsidies during the first four months of 2010
- Ensure that 9,755 schools in the 10 regions targeted by MNE for the local catalytic fund (LCR) receive cash support to reduce vulnerability
- Ensure the construction of around 263 classrooms for communities without schools and incomplete cycle schools (the exact number will be determined according to unit costs at the time of implementation).

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<sup>2</sup> African Development Bank, Agence Française de Développement (AFD), European Union, ILO, JICA, Republic of France, Royal Norwegian Embassy, UNDP, UNFPA, UNICEF, USAID, WFP and World Bank

## **1.4 Strategic partners**

The strategic partners involved will be:

- The MNE for technical consultations to ensure adherence to national strategies
- The technical and financial partner group as a reference group for planning and monitoring of the activities
- The postal office for distribution of salary subsidies
- Local NGOs for disbursement and monitoring of school cash grants
- ILO and Action Aid for subcontracting of parts of the construction programme

## **1.5 Budget**

15 million USD would be divided between the following three activities:

- Payment of 38,585 FRAM teachers' salary subsidies for four months
- Cash grants to 9,755 schools in 10 vulnerable regions
- Construction of around 263 classrooms in communities without schools and incomplete cycle schools

## **1.6 Expected Impact**

- Around 1.9 million children will be able to continue their education because their teachers have been paid
- Around 1.7 million children in 9,755 schools have access to basic learning materials and an acceptable learning environment because their schools have received cash grants
- Approximately 263 new classrooms provide around 13,000 children with an acceptable student-section ratio and up-to-standard classrooms

# **2. Purpose and Strategies**

## **2.1 Background and Analysis**

Considerable progress has been made in Madagascar in primary education. The Net Enrolment Rate was estimated at 86.8 per cent in 2008 according to the MNE<sup>3</sup> and the achievement rate improved from 57 per cent in 2006 to 60.2 per cent in 2008. However, regional disparities remain, with an average of only 3 of 10 children finishing the primary cycle in rural and sparsely populated areas. In contrast, 6 out of 10 children complete five years in more urban districts. Dropout and repetition rates remain high, at 14.1 per cent and 19.7 per cent, respectively, in 2008.

Madagascar's EFA plan was endorsed in February 2008 by the 13 technical and financial partners contributing to education sector development in the country. The EFA plan comprises the extension of primary education from five to seven years, as well as the goal of achieving Universal Primary Completion (UPC) in the current five-year primary cycle by 2015. In the preparation of the EFA plan and throughout 2008, the MNE made significant efforts to develop key strategies in classroom construction, teacher

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<sup>3</sup> The primary NER used in the State of the World's Children 2008 is 93 per cent/males and 92 per cent/females (2000-2006). Due to differences in calculations of growth rates in school age population, given that the last Census was in 1993, Ministry of Education now calculates NER based on 2005 National Household Survey age group data.

training, curriculum and textbook development, educational management, capacity building and support to vulnerable school districts and other key areas of education policy development. Considerable funds were invested in these undertakings by the government, EFA-FTI and the technical and financial partners.

The 2009 political crisis has had an impact on the education system on many levels: Work in progress—such as the curriculum and school manual development—has been delayed and has required the interventions of partners to keep on track. There has been a considerable turnover in technical personnel, both at central and decentralized levels—including almost all the technical directors at the central MNE. The impact of the crisis has led to a 20 per cent budget cut for the Ministry of Education's 2009 budget, as well as the freezing of donor funds and lack of progress in the preparation of new projects with several donors. It has also resulted in the disruption of the World Bank's process to prepare and sign the agreement with the Government of Madagascar for the 85.1 million USD in FTI Catalytic Funds allocated for 2009-2011. There is uncertainty around the availability in real terms of the remaining 80% of the Ministry budget, as well as uncertainty that the country will be able to prepare the 2010 budget in time to implement key activities during the first part of the year.

The population is suffering from the socio-economic impact of the crisis. As families have become more vulnerable and schools have raised fees to account for uncertainty over the reception of sufficient school capitation grants, there is fear that the overall impact in terms of enrolment, repetition and dropout rates will be considerable.

It is clear that the school kits that have been distributed to first grade students over the past years, which has been a motivating factor for children to enroll in school, will either be considerably delayed or not delivered at all for the 2009-1010 school year. On the positive side, the process to disburse 6,659,482.20 USD in 2009/2010 capitation grants for 4,934,239 students in 26,409 primary schools is underway. The MNE has also maintained a budget of 1,397,270.47 USD in government funds for school feeding programs in vulnerable areas. Moreover, vulnerability is addressed by local partners, including financial support to school feeding by AFD and the Government of Norway through WFP, as well as support from UNICEF to purchase school materials for vulnerable children.

The local technical and financial partners, co-led by the World Bank and UNICEF, have maintained close collaboration in the current situation but have changed their objectives for collaboration to adjust to the changed context and emerging needs. The group has organized monitoring of the sector to identify risks and promote appropriate actions, with a view to minimize impact. A key concern of the partners is to address the educational needs of particularly vulnerable populations, and to work together so that Madagascar will not lose the allocation of the FTI Catalytic Funds for 2009-2011. These funds are much needed to reach the EFA objectives.

In the short to medium term, there is concern about the ability of the MNE to pay teachers recruited by parents' associations, which have been gradually incorporated into the government budget through the assistance of the FTI. Another issue of concern is that the MNE has not been able to continue local catalytic support to ten vulnerable regions—a strategy put in place to reduce regional disparity in education provision. Finally, the partners are worried about a slow-down in much needed classroom construction: 2,387 local communities (14%) have no school and in 22 of Madagascar's 111 school districts, 40-60% of primary schools are incomplete (only offering two or three grade levels). In addition, cyclones destroy and damage hundreds of classrooms nearly every year. While the MEN has recently engaged a request for offers to construct 200 new schools, it is not clear that this can be efficiently

implemented in the current context and even this number is not enough to address the needs of new classrooms.

As a temporary solution to address the identified gaps, the partners request the Fast Track Initiative to release an initial allocation of 15 million USD to UNICEF for the period of January-June 2010. This request is without prejudice regarding the remaining balance of \$70 million. The requested transfer is meant to address the most urgent needs of the sector in the context of the political crisis, which has caused the temporary suspension of the World Bank disbursements as per Operational Policy 7.30.

Negotiations are on-going for the establishment of an agreed transitional government that will govern until the time of the next elections. Although the composition of this transitional government has not yet been agreed, the "*Groupe International de Contact*" (GIC) in charge of the negotiations has recommended to the local partners in an official communiqué on October 7 "to continue humanitarian assistance and support to basic services, in order to mitigate the difficulties of the Malagasy people". Once an agreed Transitional Government will be in place the World Bank will be in a position to re-assess its operational position, including the possibility of resuming the education program with the remaining Catalytic Funds. The tri-annual plan (2009-2011) prepared for the implementation of EFA would then be adjusted to account for the impact of the crisis in terms of the government's education budget and slowed progress in implementation. In the meantime, the collaboration with UNICEF will allow for gap-financing between Phase I and II of the education program in view of Madagascar's special circumstances.

## **2.2 Objectives of the Proposal**

Under the overall objective of mitigating the impact of the political crisis on the education sector to minimize loss of the achievements that have been made through joint efforts over the past years towards the goals of the endorsed Education for All plan, the key results for the proposed time frame of 6 months are as follows:

- Ensure that 38,585 FRAM teachers receive their salary subsidies (top-up of salaries paid by communities) during the first four months of 2010
- Ensure that 9,755 schools in the 10 regions targeted by MNE for the local catalytic fund (LCF) receive cash support to reduce vulnerability
- Ensure the construction of around 263 classrooms for communities without schools and incomplete cycle schools

## **2.3 Strategy of implementation/Description of Activities**

Overall, the implementation will follow the strategies set out in the endorsed EFA Plan and related documents. However, the current political situation requires certain adaptations in financing modalities to avoid the transfer of funds through the government. The implementation strategies for the three activities will be as follows:

- For the payment of community teacher salary subsidies, UNICEF will follow the strategy developed by the MNE: i.e. payment through the postal system. The subsidies top up community contributions to these teachers. The objective is to incorporate these teachers, who currently constitute more than half of Madagascar's primary school teachers, into the system. The MNE has also developed a training and career development strategy to ensure that the teachers are qualified and motivated to

continue teaching. UNICEF will consult with the MNE and *Unite d'Appui Technique* (UAT) to obtain the lists of teachers and will follow the procedures in place to effectuate payments grouped in two transfers: one for January/February; one for March/April. (In the event that the MNE is able to pay the teachers in January/February, the proposal will cover March/April and May/June). Additional financial monitoring strategies will be put in place to ensure accountability.

The strategy to use Catalytic Funds to contribute to FRAM teacher salary subsidies is a continuation of the endorsed strategy, where the Catalytic Funds have had a transitional role to enable the government to gradually incorporate the salaries of FRAM teachers into the government budget. However, in view of the current situation, the percentage that was initially meant to be covered by Catalytic Funds in 2010 has been increased from 5.4 % to 24.7 % in order to address loss of education funds due to the political and economic crisis. In proportion, the percentage covered by the Catalytic Funds in 2009 was 40.7%, so there will still be an increase in the proportion covered by the government. The progression of government coverage of the salary subsidies will be re-adjusted once the policy environment has stabilized. The table below shows the progression of government and Catalytic Fund salary subsidies from 2009 to 2011 (prior and new situation):

<b>Planning of FRAM teachers' payment in the Triennial Performance Plan 2009</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>
Total salaries of FRAM teachers (M Ar)	50442	62362	73923
FC funding of FRAM teachers' salaries	20525	3362	
Proportion of FRAM teachers' salaries funded by the CF	40.7%	5.4%	
State funding of FRAM teachers' salaries	29917	59000	73923
Proportion of FRAM teachers' salaries funded by the State	59%	95%	100%

<b>Proposed/adjusted payment plan of FRAM teachers</b>		
	<b>2010</b>	<b>2011</b>
Total salaries of FRAM teachers (M Ar)	62362	73923
FC funding of FRAM teachers' salaries (M Ar)	15434	
Proportion of FRAM teachers' salaries funded by the CF	24.7%	
State funding of FRAM teachers' salaries	46928	73923
Proportion of FRAM teachers' salaries funded by the State	75.3%	100%

- For the distribution of cash grants to schools, UNICEF will follow the strategy for local catalytic funds (LCF) developed by the MNE. The LCF strategy would provide grants of 400,000 Ariary per school to 9,755 schools in 10 vulnerable regions in 2009/2010. LCF allocations to regional and district level are included in the MNE strategy but are not included in the present proposal, which only addresses the grants directly benefiting children through transfers to schools. In addition to the ten regions previously covered by the MNE, UNICEF has been providing LCF support to four regions since 2008 but has adjusted the approach to the current situation by disbursing funds to schools through local NGOs. In practice, this means that NGOs are contracted to manage the funds according to UNICEF standards and procedures and following a detailed agreement. Technical collaboration with decentralized education authorities is maintained to ensure continuity and integration of the activities into decentralized education plans, and UNICEF has intensified monitoring by increasing the number of personnel in the field to ensure that activities are carried out and funds are utilized according to plans and agreements. The same approach will be taken for the disbursement of LCF funds to schools in the ten regions previously covered by the MNE.

According to the LCF guidelines developed by the MNE in 2008, eligible expenses to be covered by the funds include planning, monitoring and supervision costs; expenses for communication and sensitization; maintenance of equipment and materials; measures to encourage innovative pedagogical approaches (such as 'discovery classes', teacher exchanges, etc); reinforcement of teachers' competencies according to locally identified needs; and finally, elaboration and production of local pedagogical materials. The LCF guidelines contain specific administrative instructions on justification of utilization of the funds, which will be applied by UNICEF.

- For classroom construction, the MNE construction strategy will be adhered to. In 2008, the MNE established contracts with UNICEF, ILO and Action Aid for implementation of school construction. In line with this, UNICEF will manage one-third of the amount directly through its construction programme, while sub-contracting one-third each to ILO and Action Aid, respectively, for the remaining work. For the construction projects, although all funds will be engaged by end June 2010, additional time must be allowed to cover completion of projects and the guarantee period of 1 year. To account for inflation, the exact number of classrooms to be constructed will be determined at the time of reception of offers / contracting for implementation.

#### **2.4 Monitoring, Evaluation and Reporting**

The technical and financial partner group will serve as a reference group to discuss and agree implementation strategies and monitoring modalities. UNICEF will inform the group regarding modalities put in place to ensure accountability, particularly with regard to the transfer of salary subsidies and school cash grants.

For the payment of teachers' salary subsidies and school cash grants, in addition to specifying payment procedures and controls through contracts with implementing partners (post office and NGOs), UNICEF will conduct spot checks to ensure that the funds reach its intended recipients and are used according to the agreed criteria and procedures, involving NGOs and field staff from UNICEF programmes as well as other UN staff when possible. As supervising entity, UNICEF will be accountable for results and financial reporting.

For monitoring of construction projects, existing procedures used by the three implementing agencies will be followed.

At the end of the six months, a joint review will be organized with the partners to assess the implementation of the project. The extent of participation and role of the MNE in this review will be determined according to the prevailing political situation. For the review, in line with previous practice with the government, UNICEF will prepare a progress report no later than one month prior to the review, for discussion by the partners/MNE. A joint report will be submitted to the FTI based on the conclusions of the review.

### 3. Budget

The total cost of the project will be USD 15 million with project duration of six months. Construction funds will be engaged by the end of June 2010, but implementation may continue until end September. (In addition, 5% would need to be available one year after the completion of the construction work, since the final payment is made only after the one-year guarantee period).

Activity/Planned Result	Unit Cost in Ariary	Quantity	Total Amount in Ariary	Total Amount in USD (1 USD = 1930 Ar)
Salary payments for FRAM teachers	100,000	38,585 x 4 months	15,434,000,000	7,996,891
Distribution of cash grants to schools	400,000	9,755	3,902,000,000	2,021,761
Classroom Construction	27,094,984	263	7,141,077,200	3,700,040
Monitoring (see details below)				300,000
Sub-total to the country				14,018,692
UNICEF recovery cost (7%) <sup>4</sup>				981,308
Total				15,000,000

#### Monitoring Budget (in USD)

Activity	%	CF	UNICEF	Total
Monitoring of payment of FRAM salary subsidies	2% of 7,996,891	0	159,937.00	159,937.00
Cash grant monitoring by NGOs	6% of 2,021,761	77,997.60	43,308.06	121,305.66
<i>Bureau d'étude</i> for construction monitoring	4% of 3,700,040	148,001.60	0	148,001.60
Personnel/monitoring by supervising entity for construction monitoring	3% of 3,700,040	74,000.80	37,000.40	111,001.20
<b>TOTAL</b>		<b>300,000</b>	<b>240,245.46</b>	<b>540,245.46</b>

<sup>4</sup> Recovery cost is charged by UNICEF headquarters, for all contributions received.

## 4. Expected Results

	<b>Activity</b>	<b>Indicators</b>	<b>Target</b>	<b>Means of verification</b>	<b>Risks/ assumptions</b>
<b>1.</b>	<b>Payment of FRAM teachers' salaries</b>	# of teachers paid on time for January/February	38,585	CISCO & school data	Postal payment system functioning
		# of teachers paid on time for March/April	38,585	UNICEF & NGO spot checks	
<b>2.</b>	<b>Payment of school cash grants</b>	# of schools received grants by March 2010	9,755	Cisco & school data	Availability of NGOs with sufficient capacity in all 10 regions
		# of students benefiting from adequate materials	1,700,000	NGO reports UNICEF spot checks	
<b>3.</b>	<b>Classroom construction</b>	# of classrooms constructed	263	UNICEF, ILO and Action Aid reports	Unit costs may be influenced by inflation, reducing number of classrooms constructed, especially since many of the construction sites will be in remote areas
		# of previously incomplete cycle schools cover complete cycle	(to be determined <sup>5</sup> )		
		# of communities previously without schools have functioning school	(to be determined)		

<sup>5</sup> The targeting of incomplete cycle versus community without school will be determined in collaboration between the technical construction teams of the MNE, UNICEF, ILO and Action Aid

