

Office of Technical Assistance: Banking and Financial Services (BFS) Project in Madagascar

Evaluation Report

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BIXAL



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Acronyms and Abbreviations

ACEP	African Agency for Credit and Enterprise
ARO	<i>Assurances Réassurances Omnibranches</i> , Omnibranches Reinsurance Insurance
BFS	Banking and Financial Services
CBM	Central Bank of Madagascar
CEAM	<i>Le Comité des Entreprises d'Assurances à Madagascar</i> , The Committee of Insurance Enterprises of Madagascar
CNFI	<i>La Coordination Nationale de la Finance Inclusive</i> , National Coordination of Financial Inclusion
CSBF	<i>Commission de Supervision Bancaire et Financière</i> , Commission for the Supervision of Banking and Finance
DGI	Director General of Taxes
EMI	Electronic Money Issuer
EQ	Evaluation Question
FATAA	Foreign Aid Transparency and Accountability Act
FCR	Findings, Conclusions, and Recommendations
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> , German Development Corporation
GOM	Government of Madagascar
HQ	Headquarters
IMF	International Monetary Fund
IT	Information Technology
IWG	Insurance Working Group
KII	Key Informant Interview
M&E	Monitoring and Evaluation
MEF	Ministry of Economy and Finance
MEL	Monitoring, Evaluation, and Learning
MFI	Microfinance Institution
MOF	Ministry of Finance
OTA	Office of Technical Assistance
PrAda	<i>Projet Adaptation des Chaines de Valeur Agricole au Changement Climatique</i> , Adaptation of Agricultural Value Chains to Climate Change Project
QA	Quality Assurance
RFP	Request for Proposal
SADC	Southern African Development Community
SIF	<i>Service des Institutions Financières</i> , Financial Institution Service
SME	Subject Matter Expert
SNIM	<i>Stratégie Nationale d'Inclusion Financière de Madagascar</i> , National Financial Inclusion Strategy of Madagascar
TOR	Terms of Reference



ToT	Training of Trainers
U.S.	United States
USAID	U.S. Agency for International Development
VAT	Value-Added Tax
WB	World Bank



I. EXECUTIVE SUMMARY

The United States (U.S.) Treasury’s Office of Technical Assistance (OTA) is a demand-driven organization with a mandate to work directly with counterpart governments to promote financial sector strengthening. OTA provides technical assistance in five key areas: i) Revenue policy and administration, ii) Budget and financial accountability, iii) Government debt and infrastructure finance, iv) Banking and financial services (BFS), and v) Economic crimes.

From 2018–2023, the U.S. Treasury’s OTA engaged with the Malagasy National Coordination of Financial Inclusion (*La Coordination Nationale de la Finance Inclusive*—CNFI) and other counterparts in the Government of Madagascar (GOM). The aim of the project was to assist the GOM with creating an enabling environment that increases access to financial services, including insurance products, and to improve the GOM’s capacity to monitor progress in financial inclusion. The project consisted of three components: i) Insurance sector development, ii) Index insurance program, and iii) Financial inclusion monitoring and evaluation (M&E). Throughout the project, OTA provided technical assistance with one resident advisor and an intermittent advisor. The resident advisor arrived in Antananarivo, Madagascar, in July 2018 and departed in June 2022. The resident advisor was in-country during that period, except for six months in 2020 during the initial months of the COVID-19 global pandemic. The intermittent advisor provided support from November 2018 until April 2023.

In compliance with the Foreign Aid Transparency and Accountability Act (FATAA)¹ requirements, Bixal² conducted a third-party, summative project evaluation of the Madagascar OTA BFS project. The evaluation is meant to provide OTA with in-depth, third-party, retrospective insights of its activities in Madagascar and discern lessons learned for future projects. The evaluation used a mixed methods approach, including a desk review of key project documents and interviews with 23 key informants, including OTA advisors, counterparts, and other stakeholders. The evaluation focused on the following evaluation questions (EQs):



EQ 1: Which of the anticipated project outcomes were achieved?



EQ 2: Which of these outcomes have been sustained up to the present?



EQ 3: For any anticipated outcomes that were not achieved, which factors hindered success?

¹ *Foreign Aid and Transparency and Accountability Act of 2016*, Public Law 114–191.

² Bixal Solutions, Inc.



Key Findings

Underlying the three components of the project was OTA’s aim to improve the enabling environment for insurance for low-income consumers in Madagascar and to improve the GOM’s capacity to monitor progress on financial inclusion. The achievement of the project components was mixed, where all three components were partially achieved. Table 1 details all achievement and sustainability ratings in spotlight scores from fully achieved or sustained, partially achieved or sustained, to not achieved or sustained. Beyond the achievement scores (see Table 2 for scoring definitions), the evaluation team also identified themes for each outcome (see Figure 1 themes legend). These are barriers and facilitators for the achievement of each outcome and are meant to serve to track trends across this and other evaluations.

Figure 1: Themes Legend.

















-  **Led by Others:** Outside of the GOM and OTA
-  **Remote-led:** Mainly remote or intermittent advisor led
-  **Planning & Structure:** Significantly affected by initial work
-  **Partnerships:** Supported or hindered by partnerships
-  **Funding:** Impacted by access to finance
-  **Data:** Contingent on receiving data

Table 1: Madagascar BFS Project Overview: Fully Achieved, Partially Achieved, and Not Achieved Project Components and Outcomes.

Outcomes	Achievement	Sustainability	Themes
 1. Insurance Sector Development			
1.1 The GOM revises its insurance law to allow for the sale and administration of microinsurance products by actors other than traditional insurance companies and expands the definition of insurance products to include nontraditional insurance products (i.e., index insurance), making it easier for people in underserved rural areas to buy insurance products.			
1.2 CNFI releases updated financial education materials and informs insurance customers of their choices as consumers, the benefits of insurance products, and how to make claims. Malagasy consumers are better able to determine which insurance products meet their needs.			
1.3 CNFI conducts a customer survey to ascertain the Malagasy population’s microinsurance needs. Survey results allow Malagasy insurance companies to develop microinsurance products that are more appropriate for customer needs, encouraging increased demand for insurance products.			



Outcomes	Achievement	Sustainability	Themes
<p>1.4** The Committee of Insurance Enterprises of Madagascar (<i>Le Comité des Entreprises d'Assurances à Madagascar</i>—CEAM) establishes a Training of Trainers (ToT) program to build the capacity of Malagasy insurance companies to adapt and offer microinsurance education for low-income populations. CEAM staff disseminate model insurance education materials that describe access to and usage of microinsurance products for low-income populations to Malagasy insurance companies.³</p>			
<p> 2. Index Insurance Program</p>			
<p>2.1 A request for proposal (RFP) is issued for Malagasy insurance companies to express interest in offering a pilot index insurance product. Malagasy authorities select an insurance company and index insurance product for testing in Madagascar.</p>			
<p>2.2* The Director of Taxes recommends a tax exemption for insurance products aimed at low-income consumers, including index insurance products. The GOM adopts the tax exemption, reducing the cost to Malagasy consumers and increasing viability of the product.</p>			
<p>2.3** The Director General of Taxes (DGI) recommends a new revenue-neutral tax scheme to offset intended revenue through taxes on microinsurance products by increasing revenue from other mandatory insurance products, including motor insurance. The GOM adopts the revenue-neutral tax scheme, reducing the cost of insurance to low-income Malagasy consumers.⁴</p>			
<p>2.4 The Central Bank of Madagascar (CBM) grants supervisory approval for the pilot index insurance program, allowing the index insurance pilot program to move forward.</p>			
<p>2.5 Madagascar has a viable distribution network for the index insurance product and participating vendors understand the sale and administration of the product.⁵</p>			

³ One of three activities was cancelled under this outcome.

⁴ One of two activities was cancelled under this outcome.

⁵ Two of three activities were cancelled under this outcome.









Outcomes	Achievement	Sustainability	Themes
<p>2.6 CNFI and the distribution channel distribute financial literacy materials in target pilot area to raise awareness among Malagasy agricultural producers of the availability and benefits of index insurance. Increased consumer awareness leads to a greater demand for index insurance.⁶</p>			
<p>2.7 A pilot index insurance program is launched allowing Malagasy agricultural producers to purchase index insurance products that allow them to mitigate risks to their livelihood.⁷</p>			
<p> 3. Financial Inclusion M&E System</p>			
<p>3.1 CNFI implements a web-based data portal that allows it to receive financial inclusion data directly from banks, Microfinance Institutions (MFIs), insurance companies, pension funds, and the postal service. CNFI uses standardized data collection to facilitate timely and accurate analysis of financial inclusion information.</p>			
<p>3.2 Using a standardized set of financial inclusion indicators and indicator targets, CNFI’s team measures access to and usage of financial services by location and type of consumers (individuals, small enterprises) and performs a comparative analysis with other countries. The National Financial Inclusion Strategy Steering Committee orients and adjusts its policies based on the level of financial inclusion achieved.</p>			
<p>3.3 CNFI’s monitoring team consolidates, manages, and updates demographic, economic, and financial data received from multiple sources, including financial and administrative institutions in an automated database. CNFI becomes a source of economic and financial information for the Malagasy government.</p>			
<p>3.4* CNFI employees use the graphic user interface to retrieve raw data from the CNFI database and export into Power BI without coding knowledge or information technology (IT) technical assistance. CNFI use Power BI data to create and populate analytical reports. CNFI uses analytical reports and associated analysis to inform the Malagasy government’s decision-making process.</p>			

⁶ One of two activities was cancelled under this outcome.

⁷ One of one (all activities) was cancelled under this outcome.



Outcomes	Achievement	Sustainability	Themes
3.5 CNFI and the Steering Committee use the financial inclusion dashboard to access visual financial inclusion reports that demonstrate progress made. Decision-makers have continuous access to key information that will help promote further financial inclusion in Madagascar.			
3.6 CNFI, the Steering Committee, and other administrative authorities use reports on retail electronic payments to assess the impact of the recent banking law reforms aimed at increasing access to financial services through mobile banking. The GOM uses this information to better promote electronic payments, encouraging participation in the financial services sector.			

* Updated from original log frame to final log frame.

** New addition in final log frame.

COMPONENT 1: INSURANCE SECTOR DEVELOPMENT

For the insurance sector development project component, two outcomes were fully achieved and two outcomes were not achieved. This component centered on creating an enabling environment for microinsurance and building the capacity of CNFI and CEAM. Targeted outcomes included i) updating the Malagasy insurance law to include microinsurance provisions, ii) updating CNFI’s insurance education materials, iii) conducting a Malagasy microinsurance needs customer survey, and iv) establishing a ToT program for CEAM.

OTA’s resident advisor helped shape elements of the new Malagasy insurance legislation, advocating for changes in financial inclusion and consumer rights. Additionally, efforts to update educational materials for the insurance sector were partially successful, as CNFI integrated updated materials into the national curriculum. However, the microinsurance customer survey faced multiple barriers and the CEAM ToT was not finalized. As a result, OTA’s objectives within this domain are only partially achieved.

COMPONENT 2: INDEX INSURANCE PROGRAM

For the index insurance program component, four outcomes were fully achieved, two outcomes were partially achieved, and one outcome was not achieved. This component aimed to support the German Development Corporation (*Deutsche Gesellschaft für Internationale Zusammenarbeit—GIZ*) to establish a pilot index insurance program in southern Madagascar. Targeted outcomes included i) issuing a RFP to identify an insurance company in Madagascar, ii) obtaining a tax exemption for insurance products for low-income consumers, iii) establishing a revenue-neutral tax scheme to offset lost revenue from the tax exemption, iv) the CBM granting approval to the program, v) establishing a viable distribution network for the index insurance product, vi) distributing financial literacy materials to customers, and vii) launching the pilot index insurance program.



The GIZ PrAda project,⁸ with some basic support from OTA and other donor organizations operating in the same space, successfully launched an index insurance pilot in southern Madagascar. OTA supported developing the RFP, in the insurance company selection process, and advocating for the tax schemes. OTA had limited participation in all other outcomes, and only supportive roles in those outcomes where it did play a role.

COMPONENT 3: FINANCIAL INCLUSION M&E SYSTEM

For the financial inclusion M&E system component, two outcomes were partially achieved, and four outcomes were not achieved. This component aimed to implement an M&E system to collect and manage the financial and economic data to report on financial inclusion in Madagascar. Targeted outcomes included i) CNFI implementing a web-based data portal, ii) CNFI measures financial services and performs comparative analysis, iii) CNFI manages relevant data and is the source of this information for the GOM, iv) CNFI uses Power BI to create analytical reports, v) CNFI and Steering Committee use and have access to the financial inclusion dashboard, and vi) the GOM uses electronic payment information.

The outcomes of component 3 hinged directly on the successful implementation of a fully functional web-based portal (Outcome 3.1), alongside the submission of data by financial and administrative institutions to CNFI. This infrastructure would have empowered CNFI to gather and analyze comprehensive data on financial inclusion, thereby advising the GOM on policy matters. Notably, CNFI initially engaged OTA in 2016, primarily due to this project component. However, as the web-based portal was only partially achieved, the remaining outcomes were either not achieved or partially achieved.

The existence of the web-based portal, still not fully operational a year post-project conclusion, heavily relies on the willingness and capacity of financial and administrative institutions to contribute data. Several factors contributed to the challenges on this project component: i), the absence of a legal mandate compelling firms to share data, ii) insufficient outreach and educational efforts to communicate the benefits of the CNFI web portal to local institutions, iii) an initial project perspective predicated on the assumption that building the portal would ensure its utilization by local institutions, iv) project activities primarily focused on technology without adequately addressing local operational and logistical challenges, such as limited access to computers and the internet for local institutions, v) concerns around data security for local institutions, and vi) a lack of coordination with and endorsement from the Commission for the Supervision of Banking and Finance (*Commission de Supervision Bancaire et Financière*—CSBF). Although there remains a possibility that these outcomes could be achieved in the coming years, particularly if the decree is established and enforced, success is not guaranteed.

Key Recommendations

Based on the findings and conclusions detailed above, the evaluation team makes the following recommendations. These recommendations are based on successes or challenges identified

⁸ PrAda stands for *Projet Adaptation des Chaines de Valeur Agricole au Changement Climatique* or “Adaptation of Agricultural Value Chains to Climate Change.”



during this project and include actions OTA may have already undertaken based on learnings from this or other projects.

Technical and Activities

1. **Prioritize socialization and stakeholder engagement in any activities that involve stakeholders outside of the counterpart organization.** For activities in component 1 and component 3, socialization and stakeholder engagement were significant barriers to achievement of project objectives. The ToT materials that were drafted for CEAM did not meet CEAM's expectations, and there was no time planned to go through multiple iterations and adjust the product to meet the needs of CEAM and its insurance members. Planning more time to engage with CEAM at the beginning to better understand its needs and expectations, and at the end to go through multiple rounds of review and adjustment could have resulted in a product that would be in use today. More expansively on component 3, the focus of OTA's activities was on building the M&E system, not engaging with those who would feed data into the system. These activities were designed in isolation with a lack of constructive engagement and awareness of the serious challenges faced by stakeholders in the Malagasy financial sector. OTA respondents now note the importance of considering stakeholder engagement from the beginning on data system projects, and how they have applied that in other projects. Any project component that requires inputs or significant work from other stakeholders outside of the counterpart organization requires substantial front-end to back-end stakeholder engagement. Front-end engagement should focus on understanding stakeholders' needs on whatever product is being developed, engagement should be continuous throughout product development to ensure any changes are being accounted for and any big decisions include stakeholder engagement, and back-end engagement should focus on product review and adjustment to ensure the product is usable.
2. **For projects that require data-sharing or other similar inputs, beyond socialization and engagement, explore both a carrot and a stick approach.** This project explored both these options, but there were significant barriers to both approaches. During socialization, communicate requirements and benefits to participation simultaneously. Requirements alone can result in reluctant compliance if the requirements have enforcement mechanisms, but developing processes and benefits to comply is the best way to ensure adherence. Requirements also can take years to progress, as in this case, when they are not the priority or when various bureaucratic processes must be followed. Setting up a system where institutions are incentivized to provide those inputs circumvents the need to pursue those requirements and allows things to progress even when there are barriers to setting up requirements. Incentives can include the sharing of data and reports, additional analysis, and other sharing or services based on the activity.
3. **When designing technology-based solutions, consider the local context and what other institutions that are implementing similar activities are doing.** Some of the first activities OTA undertook in component 3 were focused on improving the Excel templates, which are still in use today. Since these templates could be used in offline settings and are



usable with very little training, they were cognizant of the local context. After that work was completed, CNFI shifted their focus to developing a web-based data portal so that institutions reporting into the CNFI M&E system could do so easily. It is important to note, however, that in 2021 only 20% of Madagascar’s population was using the internet.⁹ While a higher proportion of institutions have internet access, respondents noted that sometimes data would arrive written on a piece of paper with pencil, and CSBF noted that in its own data collection efforts it had to send its own staff to collect data directly from many smaller institutions. This all contributes to a picture that suggests a web-based portal may not have been the right fit right now for small organizations throughout Madagascar. The focus on developing the portal took focus away from developing the process and other elements of the M&E system, and what made sense for the users and for Madagascar. Beyond socialization of this product, there are undoubtedly institutions that regardless of their knowledge of the portal could not upload data to it because of a lack of access to computer, internet, or the skills to use either. Considering the local context and speaking with other stakeholders could have refocused the work on this component.

Project Design and Learning

4. Utilize a collaborative and analytical design process that includes engagement with various potential counterparts and other relevant stakeholders in a scoping mission.

This project is reflective of a previous era and approach to project implementation at OTA — the project TOR was signed in 2017 — and the current design process at OTA is more deliberate and rigorous. What can be learned from this project is that more design work to identify potential counterparts, activities, risks, barriers, and local context is vital. A structured scoping mission would help identify project priorities and assess the risks and costs associated with project implementation, risk mitigation measures, and other external partners involved in the country. Engagement with counterparts and other stakeholders in a scoping mission could also build consensus, understanding, and support for the project before it begins. This design process should involve several experts working with a standardized process and tools over a relatively short period to decide on the urgency and sequencing of project components. Utilizing local experts, or at least those who are familiar with the country context, is also vital if possible; in this case, country context was missing from the project design. Once this process is complete, an appropriate profile for the resident advisor and any intermittent advisors can be identified.

5. Thoughtfully match resident advisor candidates to project technical needs.

To set up resident advisors for success, project activities and resident advisor skills must be thoughtfully matched. On this project, there was some disconnect between the focus of the original TOR, the log frame when that was developed mid-project, and the expertise of the resident advisor. With the original request focused on the financial inclusion M&E system, CNFI was established as the counterpart. In the original TOR, various activities are detailed, but the only activity that came to fruition in the project and in the log frame was

⁹ World Bank, [Open Data](#). “Individuals using the Internet (% of population) – Madagascar.”



the M&E system (component 3). OTA selected a resident advisor for this project who had financial inclusion expertise, but not the expertise in M&E systems to serve the original request from CNFI. OTA prioritized selecting someone with insurance and microfinance experience, because it was difficult or impossible to find someone with the M&E technical skills for component 3 and the background in insurance and financial inclusion. This resulted in the resident advisor being placed in CNFI, but the resident advisor could not serve CNFI's initial request, and then was hampered from working on broader insurance issues because they were based out of CNFI, which has limited power over insurance. The advisor, therefore, had to look for additional activities to do with CNFI (detailed in component 1) and ended up working on topics that were not detailed in the original TOR or request (components 1 and 2). While in some settings it can be strategic to identify a resident advisor that has more general skills and intermittent advisors with more specific skills, the project activities must be a match for that expertise. This oversight on the part of OTA occurred in part because the activities were not sufficiently detailed at project inception (see previous recommendation on project planning), and it meant that an intermittent advisor was responsible for a large portion of the planned activities, activities that may have been better served with a resident advisor in-country who could have coordinated engagement and provided more M&E design support. Beyond these design issues, the resident advisor had not worked with OTA previously and was not familiar with Madagascar or with Africa. Working in Madagascar can be challenging for those who have been working in the region for decades. Expecting a new advisor working in an unfamiliar environment, without a clear workplan, with a counterpart that did not have significant influence over insurance to identify relevant and important activities was probably not reasonable. Selecting a resident advisor who has some experience in the region, if not the country, and is a good match for clearly defined activities with a counterpart who is closely aligned with the goals of the project, is important so that resident advisors are not set up for failure from the beginning.

6. **Thoughtfully select counterparts based on an understanding of local context, government needs, and project aims.** CNFI as a counterpart was selected because of how OTA was contacted by a CNFI staff person, and the need for an M&E system was front and center in the original request. CNFI was also selected because of the disorganized project design process. CNFI was undoubtedly the correct partner for component 3, which was managed by an intermittent advisor. However, while component 3's overall aims speak to financial inclusion and insurance, all activities in components 1 and 2 focus on insurance. Insurance was regulated by SIF and then CSBF after the new insurance law went into effect. There were two points where it was possible to take a step back on this program and ask where the resident advisor should be housed: i) at project initiation, and ii) when the new insurance law was passed. The lack of understanding the local context and fabric of the financial sector ecosystem contributed to the inability to have a larger effect on insurance, when the resident advisor was based out of an institution that lost its power to regulate the insurance sector. Basing the resident advisor in either SIF or CSBF and then focusing on creating an enabling environment for insurance would have produced different activities but may have been a better fit for the overall project aims.



7. **Review and update project activities at scheduled points throughout implementation.** There were many points during this project where the environment changed that may have posed good opportunities for reflection and adaptation of project activities. Between TOR signing and the first log frame, various activities were dropped and additional activities were added. This was not done in a structured or clearly documented way, but it did reflect the changing needs of the project and the resources available. Using a structured process to rethink priorities could have shifted the trajectory of the project when insurance management moved to CSBF in 2020, or when work started on the GIZ pilot index insurance project. Utilizing annual or event-based reviews to update the log frame and workplan could be good ways to document adaptation and reaction to changing environments.
8. **When designing activities, be strategic about operating in areas where another international institution is leading.** OTA often works in spaces where other institutions are working, and there is no issue with that alone. OTA can often provide significant support and contributions to activities that require different types of skills and perspectives. An embedded resident advisor role is often able to add value where they can advocate and push forward different types of work better than a short-term intermittent advisor can. Outcome 1.1 on this project is a good example of this, where a resident advisor is not leading an activity but can provide some inputs and on-the-ground experience to other partners leading an effort, but who are not based in-country. Component 2 is an example of where this did not work well, where OTA was unable to significantly contribute to the activities and focused more on this project component than was probably prudent for activities to which OTA did not have an important contribution. Understanding the value-add and contribution OTA can make before committing to significant engagements and saying no or deprioritizing activities that do not make sense is valuable. This also speaks to the previous findings, wherein many resident advisors may be unable to make these larger strategic decisions or have OTA experience, and need to be able to rely on guidance from OTA staff about what they should and should not focus on.
9. **When drafting outcomes, focus as closely as possible on measurable short- to medium-term outcomes OTA will significantly contribute to.** This log frame and outcomes were created mid-project and do not reflect the current practices of OTA. With that being said, the outcomes of this and future projects should closely focus on the outcomes to which OTA will have a significant contribution. Many outcomes in component 2 are not directly related to the work OTA did. Further, ensuring outcomes are at the level where they can be assessed in the short- and medium-term can help focus project teams and advisors. This can be achieved by including long-term and impact-level outcomes in a separate box in the log frames to ensure the pathway from short-term outcomes to impact is clear and assessments, monitoring, and evaluations can focus on the correct level of outcome.

The Resident Advisor's Role

10. **Once a practical, achievable, and detailed TOR for a resident advisor is developed, it should be communicated with all important government stakeholders — not just with**



direct counterparts, in this case CNFI. Multiple respondents outside of CNFI noted they were not clear what this OTA project's focus was. Notably, CSBF is a very important actor in the insurance sector, and it reported it did not have a clear understanding of what this OTA project was doing in-country. In this case, there were two issues with communicating what OTA was doing with this project: i) the TOR was short and vague from the beginning, and that was felt by GOM stakeholders, and ii) when the insurance environment changed, rethinking OTA's goals for this project and intentionally communicating them to CSBF and others may have helped engagement in the second part of the project. The evaluation team found when the project's activities and focus were changed, they were not clearly communicated to stakeholders. While adaptation within a structured process is necessary for a project, these changes must also be disclosed and discussed with counterparts and other key stakeholders. Without this clear and socialized TOR, engagement with other stakeholders is very difficult.

11. Support resident advisors and provide guidance on scope creep, focus of activities, technical deliverables, and other large decision points. While this is standard practice at OTA, on this project there were some significant issues that an engaged and thoughtful manager may have been able to catch and redirect earlier. Issues included the project's focus on the GIZ index insurance program; the missing socialization and engagement on component 3; and various smaller issues, such as training SIF on insurance regulation when insurance regulation was being passed to CSBF within the year. OTA should understand that resident advisors often cannot take the strategic "20,000-foot" view of their own activities and need to rely on OTA staff to guide them, even on decisions the advisors themselves do not identify as a problem. While it is easy for a retrospective evaluation to identify "what should have been done," the evaluation team understands that is not always possible during implementation. When OTA management on this project changed, many of the issues outlined above were identified as issues during implementation, and solutions were attempted. Unfortunately, it was too far into the project for many of these solutions to be successful but identifying them was possible once OTA staff were providing the support that was needed on the project. This project demonstrates that continuous OTA HQ support and guidance on projects is vital for their success, and if it is absent in the first half of the project, it is very difficult to guide the project out of issues created in the first half of the project.



II. EVALUATION BACKGROUND

OTA Approach

OTA is a demand-driven organization with a mandate to work directly with counterpart governments to develop and implement robust public financial management practices to promote financial sector strengthening. OTA provides financial technical assistance in five key financial areas: i) Revenue policy and administration, ii) Budget and financial accountability, iii) Government debt and infrastructure finance, iv) BFS, and v) Economic crimes.

Projects typically last between three and six years and involve one to several highly experienced technical advisors in one of the five key financial areas working to accomplish a predetermined set of project objectives. Advisors work directly with counterparts in central banks, finance ministries, treasuries, tax departments, and other public sector financial institutions, delivering technical support and trainings and mentoring counterparts. Projects will employ i) resident advisors who live in the country for several years, ii) intermittent advisors who periodically visit the counterpart country over the lifetime of the project, or iii) a combination of both resident and intermittent advisors. Intermittent advisors can deliver broad support on the project or visit just a handful of times to deliver specialized technical assistance on a single project.

Malagasy Financial Environment

Despite having considerable natural resources, Madagascar’s poverty rate is among the highest in the world with 79.8% of the population living on less than \$2.15 per day.¹⁰ To promote more inclusive, private sector-led economic growth, the GOM is attempting to increase access to and usage of formal financial services, particularly for low-income populations. The GOM has sought to promote financial access through five-year strategies called National Financial Inclusion Strategy of Madagascar (*Stratégie Nationale d’Inclusion Financière de Madagascar—SNIM*), first from 2013–2017 and then 2018–2022. However, CNFI — housed under the Ministry of Economy and Finance (MEF), which is responsible for implementing financial inclusion programs and monitoring broader strategy implementation — did not at the time have the necessary tools and skills to assess program effectiveness. For instance, CNFI lacked automated access to data from banks, insurance companies, and other financial institutions necessary to analyze the Malagasy financial inclusion environment. CNFI also had limited capacity to analyze the data once received. Without timely and accurate data analysis, CNFI was unable to monitor and evaluate the effectiveness of the GOM’s financial inclusion programs to maximize their impact.

One key element of the GOM’s financial inclusion strategy was to expand access to insurance, including microinsurance and index insurance, which is essential to help low-income Malagasy people mitigate risks to their livelihood. According to the OTA BFS team, when the OTA project started, insurance products were either unavailable — as with index insurance for the agricultural sector — or did not meet Malagasy consumers’ needs. The insurance sector in Madagascar is very

¹⁰ [World Bank, “World Development Indicators Database.”](#)



small, with approximately 92% of adults uninsured and 62% of adults having no knowledge of insurance.¹¹ The OTA BFS team identified barriers to expanding access, including poor market development, insufficient distribution channels, and legal and regulatory restrictions that increase costs. For instance, the country’s insurance code was outdated and did not allow for the sale and administration of insurance products by entities not incorporated as insurance companies, constraining the development of nontraditional channels — including through agents and street-level kiosks — which is critical to selling microinsurance policies to the rural population. Taxes imposed on insurance products by the GOM made them prohibitively expensive for low-income consumers. Additionally, Malagasy consumers, particularly low-income populations, lacked education and information about insurance products and the role they can play in mitigating risk and safeguarding their livelihoods.

Project Description

From 2018–2023, the U.S. Treasury’s OTA engaged with CNFI and other counterparts in the GOM. The project’s aim was to assist the GOM with creating an enabling environment that increased access to financial services, including insurance products, and to improve the GOM’s capacity to monitor progress in financial inclusion. The project consisted of three components: i) Insurance sector development, ii) Index insurance program, and iii) Financial inclusion M&E.

Throughout the project, OTA provided technical assistance with one resident advisor and an intermittent advisor. The resident advisor arrived in Antananarivo, Madagascar, in July 2018 and departed in June 2022. The resident advisor was in-country during that period, except for six months in 2020 during the initial months of the COVID-19 global pandemic. The intermittent advisor provided support from November 2018 until April 2023. Figure 2 shows the timeline of the resident advisor, the intermittent advisor, and the project components. Figure 3 shows the key actors involved in this project.

¹¹ [Access to Insurance Initiative, “Madagascar: the new Insurance Law for a healthy and inclusive financial services sector.”](#)



Figure 2: OTA Madagascar BFS Project Timeline.

Note: Resident advisor in-country (dark blue) and resident advisor out of country (light blue).

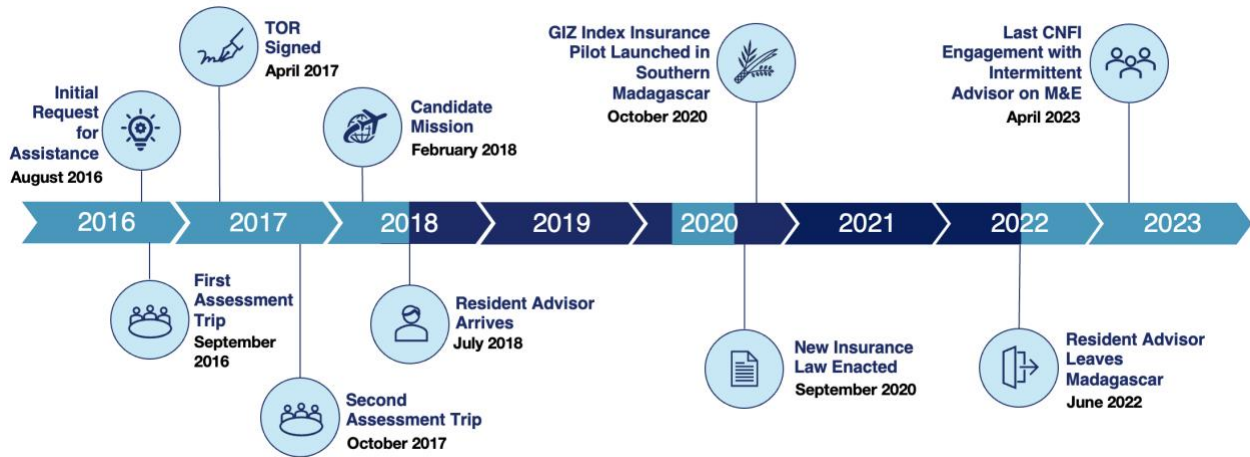
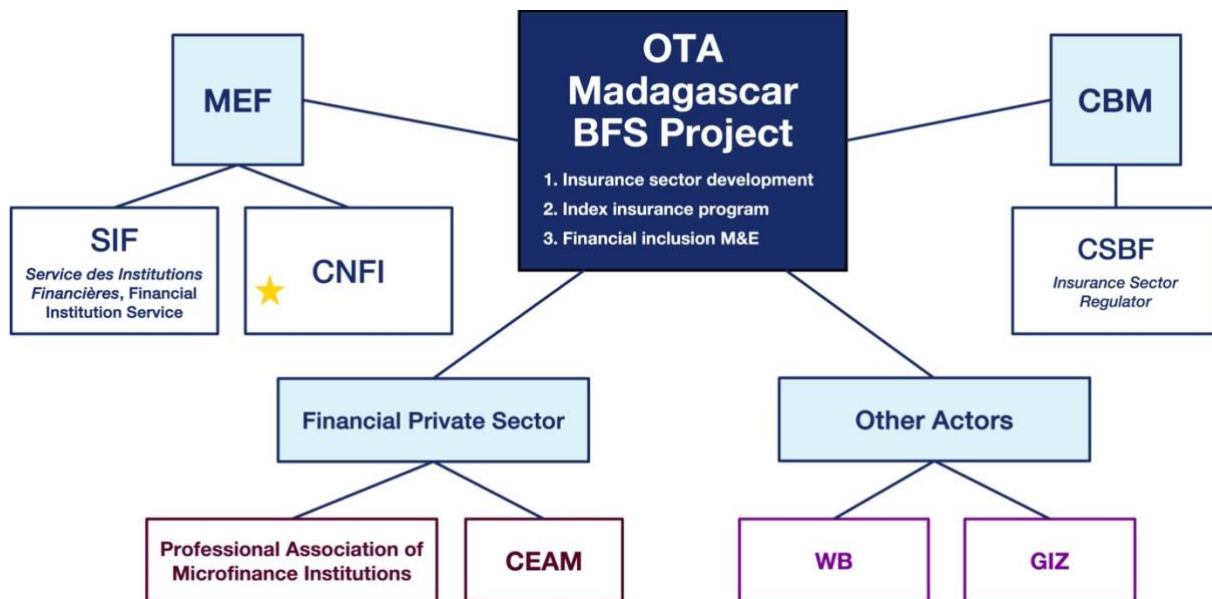


Figure 3: OTA Madagascar BFS Key Actors.



III. EVALUATION METHODOLOGY

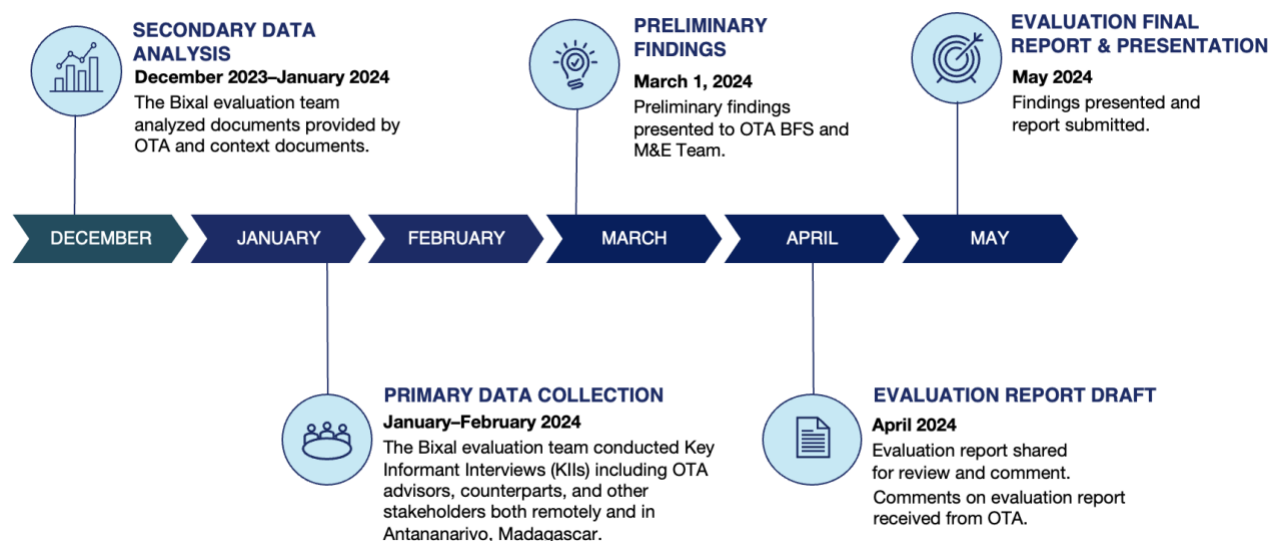
Evaluation Purpose

OTA commissioned Bixal to conduct a summative project evaluation. The evaluation activities took place from December 2023–May 2024, and the evaluation team conducted a field visit in Antananarivo, Madagascar, from January 27–February 3, 2024 (Figure 4).

The Madagascar OTA BFS project evaluation served two purposes:

- To ensure compliance with the FATAA of 2016, which includes requirements to evaluate the outcomes and impacts of OTA’s projects.
- To provide OTA with in-depth, third-party, retrospective insights of its budget project activities in Madagascar. Some aspects of OTA’s experience in Madagascar may be extrapolated to other current or future projects in Madagascar or other countries to inform adaptation, improve projects, discover ways to reduce the time to achieve project outcomes, identify new ways to effect positive change, and document project achievements and success.

Figure 4: Madagascar OTA Evaluation Methodology and Timeline.



Evaluation Questions

Bixal’s evaluation team collaborated with the OTA’s M&E team to develop a limited number of EQs to better understand OTA’s work in Madagascar. The EQs provide the foundation for the remaining design elements, including methods used and data sources. Interview guides and other evaluation instruments address the EQs and project components. The EQs are:





EQ 1: Which of the anticipated project outcomes were achieved?



EQ 2: Which of these outcomes have been sustained up to the present?



EQ 3: For any anticipated outcomes that were not achieved, which factors hindered success?

Evaluation Methods

To explore the EQs, the evaluation team used a mixed methods approach. This ensured all project written documentation was integrated into the evaluation, and that further exploration of the project's activities was done through key information interviews (KIIs).

DESK REVIEW OF PROJECT DOCUMENTS

The evaluation team analyzed project documents provided by OTA to gain a basic understanding of OTA's activities and interventions in the Madagascar BFS project. Additional documents were added from external sources, such as WB and the International Monetary Fund (IMF), to provide more context on the Malagasy financial environment. Documents were coded by outcome and a few key themes in ATLAS.ti, a qualitative analysis application. Once the documents were coded, the evaluation team reviewed, extracted initial key findings from the documents, and identified information gaps that required more investigation.

OTA shared the following categories of project documents with the evaluation team:

- End of Project Report
- End of Tour Report
- Evaluation Coversheet
- Log Frames
- Letters and Memos
- Monthly Reports
- Project Deliverables
- Project Proposals and Narratives
- Project Reviews and Assessments



- Terms of Reference
- Trip Reports
- Workplans

Annex A is a list of all project documents provided by OTA through the evaluation cycle and external documents from other sources. Annex B is an inventory of all external documents reviewed, in addition to the documents provided by the OTA team.

KIIS

Working from project documents, the evaluation team extracted counterpart names and roles to assemble the interview list and further condensed the list based on OTA’s feedback. Interview guides were tailored for each category of respondent and the evaluation team conducted KIIs to document a full range of perspectives on OTA’s work, uncover new findings, and validate findings from the initial document analysis. KIIs focused specifically on OTA’s work with the Malagasy government to assess the project’s effectiveness. Annex D includes all KII tools.

All evaluation team members — including the team leader, the subject matter expert (SME), and a local M&E specialist — conducted interviews as assigned by the team leader. The interviews were largely conducted in French with Malagasy counterparts and in English with OTA staff. The interviews were conducted in person whenever possible. All interviewers closely followed prepared interview guides and instructions to ensure interviews were unbiased and focused on the EQs.

The notetaker, the Malagasy M&E specialist, took notes using a notetaking guide and was trained on the evaluation team’s standard operating procedure for notetaking to ensure high-quality data were captured. The M&E specialist used Sonix to transcribe the recordings. Transcripts were generated in French and translated to English for analysis and reporting purposes.

Data Collection and Analysis

The evaluation team reviewed and coded each of the 123 provided documents. Those documents were used throughout this evaluation to inform the interviews and as a data source for the findings detailed in this document.

The desk review was complemented with interviews with 23 respondents—9 Malagasy counterparts, 6 other stakeholders, and 8 OTA advisors.

The evaluation team conducted a qualitative analysis of KII data on an ongoing basis, concurrent with interviews, to ensure quality in real time and to identify findings and trends in a timely manner. KII notes and transcriptions were coded and analyzed using ATLAS.ti, grouping similar data under different categories and themes—using the same categories and themes that were used in the desk review coding process. Thus, the evaluation team could locate, retrieve, and combine the data that corresponded to a category of interest. These data were further triangulated and contextualized with the findings from the desk review.



When the data collection was nearly complete, the evaluation team members convened for a joint analysis. The evaluation team discussed potential findings, conclusions, and trends. Insights and ideas from this process were shared in a presentation of preliminary findings to the OTA M&E team for vetting and discussion before the final evaluation report was drafted. After the KIIs were finalized and coded, all findings were organized in a Findings, Conclusions, and Recommendations (FCR) matrix.

Assessing Achievement and Themes

To assess achievement, the evaluation team provides detailed descriptions in this report on why outcomes are categorized as fully achieved, partially achieved, or not achieved. The evaluation team also provide a summary graphic using stoplight icons as an easy way to get an idea of the achievement of each of these outcomes. The evaluation team provides a similar structure for assessing sustainability. *Achieved* refers to the status at the close of the project (April 2023), while *Sustained* refers to maintenance of that status up to the point of the evaluation (March 2024). The definitions used to assign these scores are detailed in Table 2.

Table 2: Achievement Scores.



Fully Achieved/Fully Sustained: Assigned when all notable components of the outcome were achieved or sustained. In some notable exceptions, some small elements of the outcome could not be met if all major components of the outcome were achieved or sustained.



Partially Achieved/Partially Sustained: Assigned when some notable components of the outcome were achieved or sustained. In some cases, this can mean most notable components are, or only one notable component is, achieved or sustained.



Not Achieved/Not Sustained: Assigned when all notable components of the outcome were not achieved or not sustained.







Notably, the evaluation team is assessing the measurable short- and medium-term outcomes at the level of the counterparts. There are various outcomes in this project that include impact-level statements at the country-level that this evaluation is not designed to assess. For example, Outcome 1.1 ends with, “making it easier for people in underserved rural areas to buy insurance products,” or Outcome 3.3 ends with, “CNFI becomes a source of economic and financial information for the Malagasy government.” These are impact-level statements or aims that are important but are not this evaluation’s focus. For that reason, the evaluation team will assess the short- and medium-term outcomes as written and speak to the impact-level statements, if possible, in the narrative, but not score them in the achievement scores.

Beyond the achievement scores detailed in Table 2, the evaluation team identified themes for each outcome. These are barriers to and facilitators for the achievement of each outcome and are meant



to serve as a way to track trends across the outcomes of this evaluation and trends across evaluations. The themes are not meant as solely barriers or facilitators. Themes including “partnerships” and “led by others” are used as both barriers where an outcome was not achieved and as facilitators where an outcome was fully achieved. The themes are also meant to cut across outcomes, so themes that only apply to one outcome are not tracked with these icons, although they are detailed in the narrative. The evaluation team is piloting the use of themes on this evaluation, and the themes used throughout the evaluation are detailed in Table 3.

Table 3: OTA Madagascar BFS Project Themes.

	Led by Others: This outcome was led by others (outside of the GOM and OTA).
	Remote-led: This outcome was led primarily remotely or by an intermittent advisor.
	Planning and Structure: This outcome was significantly affected by initial planning and assessment.
	Partnerships: This outcome was supported or hindered by partnerships with other key actors.
	Funding: This outcome was impacted by access to finance.
	Data: This outcome was contingent on receiving data.

Quality Assurance (QA)

The evaluation team followed standard QA best practices:

1. Notetakers uploaded their notes at the end of each day of data collection. Notes were reviewed to ensure completeness and comprehension and to identify emerging themes.
2. The evaluation team met at the end of each day of data collection in Antananarivo, Madagascar. The team discussed what they heard and observed to ensure consistency in collecting and reporting data.
3. The ATLAS.ti application enabled the team to check for accuracy and completeness of qualitative data as they were entered and coded.
4. The joint analysis and presentation of preliminary findings provided further opportunity to cross-check and validate data and findings.
5. Bixal’s internal QA process involves the director for monitoring, evaluation, and learning (MEL) and other staff periodically reviewing evaluation report drafts and findings presentations to ensure the validity, completeness, and accuracy of the evaluation’s FCRs.



The evaluation team took steps to ensure data security, including using secure communication platforms, storing information on secure and password-protected sites, and deleting recording and transcription files after the completion of the study.

Evaluation Limitations

In general, the evaluation team faced few limitations. Most KIIs could be carried out as planned and sufficient documentation was provided for a comprehensive desk review. However, a few circumstances limited the data collection and consequently the analysis:

- **Recall:** For some respondents, it was difficult to remember, in detail, the activities OTA had carried out and to which activities OTA advisors had contributed, especially those activities that were conducted early in the project (when preparatory work began as early as 2016).
- **OTA's Contribution Difficult to Document:** For many of the activities, OTA functioned as a support role to other organizations. This means that respondents often found it difficult to remember OTA's contribution, or they were not familiar with any contribution. There is a possibility that with this structure, the evaluation team missed some activities to which OTA contributed.
- **Missing GIZ Respondent:** There is one key respondent for component 2 who is on long-term sabbatical and was unreachable for feedback (either via phone or email). This limits what the evaluation team can detail for that component, although the evaluation team was able to speak to others familiar with component 2.



IV. PROJECT FINDINGS







This section presents the evaluation findings for the three project components. The goal of this OTA BFS project was to assist the GOM with creating an enabling environment that increased access to financial services, including insurance products, and to improve the GOM's capacity to monitor progress in financial inclusion. Project components focused on i) developing an enabling environment for the microinsurance sector, ii) developing an index insurance product aimed at Madagascar's large population of small farmers, and iii) developing the tools needed to monitor and evaluate progress in increasing financial inclusion. The evaluation team evaluated progress against each of the 17 outcomes in the three focus areas in the following sections.

Table 1 presents the components and outcomes as presented in the log frame, along with the evaluation team's high-level assessment of achievement and themes.











Component 1: Insurance Sector Development

Component 1 focused on creating an enabling environment for microinsurance and building the capacity of CNFI and CEAM. Planned project activities under this component included i) updating the Malagasy insurance law to include microinsurance provisions, ii) updating CNFI's insurance education materials, iii) conducting a Malagasy microinsurance needs customer survey, and iv) establishing a ToT program for CEAM. Table 4 summarizes the findings for component 1, and a detailed discussion follows the summary.

Table 4: Component 1 Outcomes, Status, and Sustainability.

Outcomes	Achievement (EQ 1, EQ 3)	Sustainability (EQ 2)	Themes
 1. Insurance Sector Development			
1.1 The GOM revises its insurance law to allow for the sale and administration of microinsurance products by actors other than traditional insurance companies and expands the definition of insurance products to include nontraditional insurance products (i.e., index insurance), making it easier for people in underserved rural areas to buy insurance products.	 In 2020, the GOM passed an updated insurance law. This process was led by WB and expanded the definition of insurance products as detailed in the outcome. The OTA resident advisor participated in the process, provided on the ground information, and provided some	 The 2020 insurance law is still operating as of the evaluation.	  



Outcomes	Achievement (EQ 1, EQ 3)	Sustainability (EQ 2)	Themes
 1. Insurance Sector Development			
	suggestions for small changes that were taken up.		
1.2 CNFI releases updated financial education materials and informs insurance customers of their choices as consumers, the benefits of insurance products, and how to make claims. Malagasy consumers are better able to determine which insurance products meet their needs.	 The OTA resident advisor put together financial education materials, with materials on microinsurance, for CNFI.	 CNFI reports that the education materials the OTA resident advisor put together are still a part of the national curriculum on financial education.	
1.3 CNFI conducts a customer survey to ascertain the Malagasy population’s microinsurance needs. Survey results allow Malagasy insurance companies to develop microinsurance products that are more appropriate for customer needs, encouraging increased demand for insurance products.	 CNFI planned to conduct an updated FinScope survey and received partial funding for the project; however, it was unable to raise the remaining funds.	 Despite remaining interest to conduct an updated FinScope survey, there has been no change in the status or progress to conducting the survey.	
1.4** CEAM establishes a ToT program to build the capacity of Malagasy insurance companies to adapt and offer microinsurance education for low-income populations. CEAM staff disseminate model insurance education materials that describe access to and usage of microinsurance products for low-income populations to Malagasy insurance companies. ¹²	 The OTA resident advisor put together a draft of materials for CEAM’s ToT program but did not have enough time to revise before the close of the project. CEAM did not accept the materials.	 Since the close of the project, CEAM has put together some materials for its members, but did not use the materials the OTA resident advisor drafted.	

* Updated from original log frame to final log frame.

** New addition in final log frame.

¹² One of three activities was cancelled under this outcome.



Component 1: Findings



EQ 1: Which of the anticipated project outcomes were achieved?

Fully Achieved: 1.1 The GOM revises its insurance law to allow for the sale and administration of microinsurance products by actors other than traditional insurance companies and expands the definition of insurance products to include nontraditional insurance products (i.e., index insurance), making it easier for people in underserved rural areas to buy insurance products.¹³

The GOM worked with WB representatives to update and revise its insurance law in the first half of the OTA BFS project. This process was led by the WB advisor and was originally aimed at implementing a recommendation from a 2016 WB mission to transfer the insurance sector regulation from the Ministry of Finance (MOF) (under SIF) to the CBM (under CSBF). This recommendation was made because MOF is a primary stakeholder in two of the four insurance companies in Madagascar (Ny Havana and Omnibranches Reinsurance Insurance (*Assurances Réassurances Omnibranches* — ARO)), so there is a conflict of interest to the MOF serving as the regulator. While the law was being changed to allow for this regulatory adjustment, the authorities agreed to update the entire insurance law.

Through this process, WB advisors would draft sections of the new insurance law and then share it with the Banking and Finance Supervisory Commission for review and revision. This Commission was made up of representatives from CBM, MOF, and insurance companies. Through this process, the OTA resident advisor was involved with the Steering Committee and provided reviews and advocated for edits focusing on microinsurance and customer protection. A WB representative noted that it was helpful in this context to have the support of the resident advisor because they did not have the budget to have someone full-time in-country. The respondent noted, “we [would] touch base with [the resident advisor] to compare notes to tell her our problems, or she would tell us if she had any issues or if she would hear something else on the ground ... so we had this nice relationship with her.” While OTA did contribute to this process, it was WB that led the work and drafted most of the new law.

The revisions detailed in outcome 1.1 were successfully included in the current revised version of the law. Financial inclusion was noted as a main innovation and improvement of this updated law in the introduction of the law. The introduction further notes that the law, “tak[es] into account market needs and technological developments by introducing new concepts on microinsurance, digital insurance and index insurance.” (pg. 2, translated from French).¹⁴ Microinsurance is detailed in Article 11 (pg. 13)¹⁵ and index insurance is detailed in Article 12 (pg. 14).¹⁶ The microinsurance definition was expanded to include non-traditional actors.

While this outcome was fully achieved, it is noted by one respondent that, “the law had already been drafted [before the OTA resident advisor got involved], and everything that had to do with

¹³ The evaluation did not assess the impact-level statement in this outcome, “making it easier for people in underserved rural areas to buy insurance products.”

¹⁴ [Access to Insurance Initiative, “Loi n 2020 – 005 Sur Les Assurances.”](#)

¹⁵ Ibid.

¹⁶ Ibid.



... microinsurance, index insurance and all that, was already planned. So, when [the resident advisor] came to make a few improvements on [those sections], we got some support.” Therefore, OTA’s contribution to the inclusion of index insurance and financial inclusion in the law is more focused on small edits and changes. Notably, during this time, SIF — which then managed insurance regulation — was interested in attempting to pass a separate law on microinsurance. The OTA resident advisor worked with SIF to integrate some of the provisions on microinsurance into the larger insurance law to ensure all legislation for insurance was centralized and passed together.

Beyond the large changes detailed in the outcome, in May 2019 while the law was being reviewed and updated, the OTA resident advisor provided a memo and presentation detailing further recommendations for the insurance law, which included four additional recommendations detailed in Table 5.

Table 5: OTA Resident Advisor Recommendations for Insurance Law.

OTA Resident Advisor Recommendations	Uptake of Recommendations in the 2020 Insurance Law
1. A modification of the general tax code so the microinsurance consumer does not bear the tax burden directly.	This first point was pursued separately in Outcome 2.2, as this insurance law does not specify taxes and Malagasy practice states that no tax can be levied outside the tax code. The achievement of this recommendation is assessed in Outcome 2.2 below.
2. A diversification of group insurance to not restrict it to life insurance only.	The OTA resident advisor recommended that group insurance and the laws associated with it not be restricted to life insurance, and that recommendation was taken up in the 2020 insurance law. The 2020 insurance law states that, “The group insurance contract is a contract ... for coverage of risks linked to the life and non-life branches provided for in Article 5 of this law.” (Article 184, pg. 79, translated from French). ¹⁷
3. Various transparency recommendations, including a) ensuring consumer protection guidance under CSBF covers insurance companies, b) publishing financial statement information, c)	This insurance law includes many transparency policies, notably including consumer protection as a main innovation and improvement as detailed in the introduction of the law. a) First, the resident advisor noted in their recommendations a need to ensure the guidance on transparency and consumer protection under CSBF covered insurance companies. The published law ensures insurance companies are subject to those instructions of CSBF, noting that various terms are set by, “the instructions from the CSBF.” (Article 318–321, pg. 127–128, translated from French). ¹⁸

¹⁷ Ibid.

¹⁸ Ibid.



OTA Resident Advisor Recommendations	Uptake of Recommendations in the 2020 Insurance Law
<p>establishing a toll-free number where the public can communicate complaints to insurance companies, and d) creating statistics for insurance.</p>	<p>b) The law explicitly notes the financial statement information requirement, detailing that, “Insurance service providers make standardized information documents provided for by instruction from the CSBF available to consumers free of charge.” (Article 318, pg. 127, translated from French).¹⁹</p> <p>c) The insurance law does not establish a toll-free number for insurance complaints. It is possible the internal guidance for CSBF includes a complaint number.²⁰ The insurance law includes a requirement that insurance companies, “must have policies and procedures relating to the processing of compensation requests, complaints and the protection of the personal data of policyholders set by instruction from the CSBF.” (Article 325, pg. 129, translated from French). This clearly details that a complaint process must be in place, but does not explicitly require a toll-free number, which meets the requirements of the intention of the recommendation if not the explicit letter of the recommendation. Structing and paying for this kind of service may be outside the realm of focus for GOM now, but the focus on customer protection is detailed in the law.</p> <p>d) Finally, the creation of insurance statistics is detailed in a few places, notably requiring that CSBF, “collect regular, consistent and exhaustive statistical and financial information or reports concerning these insurance service providers.” (Article 260, pg. 107, translated from French).²¹</p>
<p>4. Promoting insurance products through various channels.</p>	<p>Distribution channels are noted throughout the final law. Specifically for financial inclusion, the law notes that the law adds, “appropriate provisions in terms of distribution channels, in this case, banking service providers, other non-bank financial institutions, non-governmental organizations, associations, mobile telephone operators and distribution chains.” (pg. 2, translated from French).²²</p> <p>Finally, one OTA respondent noted that, “ultimate credit goes to the National Assembly of Madagascar for passing ... the reform. Because you ... can have the best advisors, the best traction, the most well-designed project, but sometimes, if you don’t get the law passed, it’s all for nothing.” The process took under two years from initial conversations to the law passing the National Assembly, which is relatively fast for an entire</p>

¹⁹ Ibid.

²⁰ A toll-free number requirement is not usually inserted into an insurance law; it is usually detailed as a regulator requirement, or a code of practice prepared by the industry or the regulator.

²¹ [Access to Insurance Initiative. “Loi n 2020 – 005 Sur Les Assurances.”](#)

²² Ibid.



OTA Resident Advisor Recommendations	Uptake of Recommendations in the 2020 Insurance Law
	overhaul of the national insurance law and transfer of regulation from one body to another.

***Fully Achieved:** 1.2 CNFI releases updated financial education materials and informs insurance customers of their choices as consumers, the benefits of insurance products, and how to make claims. Malagasy consumers are better able to determine which insurance products meet their needs.²³*

The OTA resident advisor provided CNFI with updated financial education materials at the end of their tenure, in the form of an Insurance Guide for Clients. CNFI is responsible for the financial education materials GOM provides to the Malagasy populace. This process started in 2019 with two interns — one Malagasy and one American — working within the MFI the African Agency for Credit and Enterprise (ACEP), who were partially supervised and guided by the resident advisor. These interns produced various financial education materials — such as training materials for facilitators and clients, an educational guidebook, an explanatory game, and metrics for tracking the training — that could be used with consumers. The process to review and push forward these materials appears to have been dropped during 2020 and the early days of the COVID-19 pandemic.

Using some of these materials as a jumping-off point, the OTA resident advisor developed an Insurance Guide for Clients for CEAM (detailed further in outcome 1.4). After discussing the guide with CNFI, CNFI requested a version of the guide to integrate with the national curriculum on financial education — which at the time did not include any information on insurance. When the resident advisor departed, they handed off the financial education materials and there was intention by CNFI to insert the materials into the official financial education curriculum. These materials were integrated into the curriculum before the end of the Madagascar OTA BFS project in 2023, but after the OTA resident advisor departed, so the evaluation team has assessed this outcome as fully achieved.

Beyond the financial education materials detailed above, the OTA resident advisor completed trainings with CNFI staff, although this is not captured in any outcomes or in the log frame. Titled the “CNFI Technical Financial Inclusion Seminars,” six sessions were conducted in English from August 2018 to March 2019. Topics included microfinance, microinsurance, consumer protection, MFIs, and various other topics. CNFI staff found these trainings helpful and thoughtful, although when speaking about the value of these trainings in 2024, they spoke most highly about the ability to practice English.

In addition to the trainings conducted with CNFI, the OTA resident advisor conducted training with SIF in February 2019 focused on microinsurance. At this point, as detailed in component 1,

²³ The evaluation did not assess the impact-level statement in this outcome, “Malagasy consumers are better able to determine which insurance products meet their needs.”



the work to transfer insurance management out of SIF and to CSBF was well underway, so the evaluation team questions why training was delivered to SIF staff at that point in time. The resident advisor wanted to provide this training to ensure SIF staff were sensitized to microinsurance and the new regulations introduced by the insurance law while they were still in charge of regulating the insurance sector. Although with the training largely focusing on the new insurance law, there was little ability for the staff to apply their knowledge. When the new insurance law went into effect, SIF would no longer be responsible for regulating the insurance sector.



EQ 2: Which of these outcomes have been sustained up to the present?

Fully Sustained: 1.1 The GOM revises its insurance law to allow for the sale and administration of microinsurance products by actors other than traditional insurance companies and expands the definition of insurance products to include nontraditional insurance products (i.e., index insurance), making it easier for people in underserved rural areas to buy insurance products.

The updating and promulgation of the insurance law is sustainable, as the law and those pieces of the law detailed above is still in place as of March 2024. This evaluation did not aim to rigorously assess the intended impact of this outcome, “making it easier for people in underserved rural areas to buy insurance products.” A rigorous evaluation would require a survey conducted with people in underserved rural areas, before and after the revision of the insurance law. However, the document review did not unearth evidence that insurance is easier or harder for people to access in underserved areas.

Fully Sustained: 1.2 CNFI releases updated financial education materials and informs insurance customers of their choices as consumers, the benefits of insurance products, and how to make claims. Malagasy consumers are better able to determine which insurance products meet their needs.

A version of the Insurance Guide for Clients developed by the OTA resident advisor was integrated into the official CNFI financial education materials. This closed a gap in the financial education materials, which before the inclusion of the guide, did not have any materials on insurance. When interviewed in February 2024, CNFI representatives noted they still use and have access to the updated materials the OTA resident advisor worked on; therefore, the evaluation team has assessed this outcome as fully sustained. This evaluation did not aim to rigorously assess the intended impact of this outcome, “Malagasy consumers are better able to determine which insurance products meet their needs.” That being said, the document review did not unearth evidence that Malagasy consumers are better able to understand insurance products.

Not Sustained: 1.3 CNFI conducts a customer survey to ascertain the Malagasy population’s microinsurance needs. Survey results allow Malagasy insurance companies to develop microinsurance products that are more appropriate for customer needs, encouraging increased demand for insurance products.

This outcome was not sustained, as it was not achieved and has not been achieved in the intervening years between project completion and evaluation. CNFI noted it is still interested in conducting this kind of customer survey, and that while smaller surveys had been discussed, they



had been unable to push those forward without a budget to do so in the intervening years since the project ended. This outcome is discussed in full detail in the next section on outcomes that were not achieved.

Not Sustained: *1.4 CEAM establishes a ToT program to build the capacity of Malagasy insurance companies to adapt and offer microinsurance education for low-income populations. CEAM staff disseminate model insurance education materials that describe access to and usage of microinsurance products for low-income populations to Malagasy insurance companies.*²⁴

This outcome was not sustained, as it was not achieved and has not been achieved in the intervening years between project completion and evaluation. CEAM noted that the insurance companies it works with are still in need of this kind of ToT program and updated insurance education materials, but that CEAM staff had provided some updated materials in the years between when this project ended and the evaluation occurred. This outcome is discussed in full detail in the next section on outcomes that were not achieved.



EQ 3: *For any anticipated outcomes that were not achieved, which factors hindered success?*

Not Achieved: *1.3 CNFI conducts a customer survey to ascertain the Malagasy population's microinsurance needs. Survey results allow Malagasy insurance companies to develop microinsurance products that are more appropriate for customer needs, encouraging increased demand for insurance products.*²⁵

CNFI aimed to conduct a follow-on to the FinScope survey, last conducted in Madagascar in 2016. The 2016 survey informed the 2018–2022 National Strategy for Financial Inclusion. In the first half of the project, there was some work on smaller surveys, including the interns mentioned above designing a client needs study and CNFI implementing a small financial education landscape survey. Working under the MFI ACEP, the interns developed a client needs study and had several promising conversations with donors to secure funding for the study. The small landscape study on financial education was completed in early 2020 and surveyed 180 people, the modest budget for which had been delayed for approximately 1.5 years.

In 2021, there was interest again from CNFI to launch the FinScope survey to measure the level of financial inclusion in Madagascar. CNFI contacted Southern African Development Community (SADC), which agreed to fund the survey in part, but the GOM was unable to fund the remainder. There appears to be some confusion about the future of the survey, as OTA reporting states that in December 2022 the Financial Inclusion Steering Committee confirmed the launch of the FinScope survey in January 2023, but funding was never granted for the survey. OTA reporting also states at different points SADC had agreed to fully fund the survey, but that does not appear to be the case.

²⁴ One of three activities was cancelled under this outcome.

²⁵ The evaluation did not assess the impact-level statement in this outcome, “encouraging increased demand for insurance products.”



A few factors hindered the success of the customer survey outcome: i) a lack of budget to implement the survey, ii) a lack of effective advocacy for the survey among those making budget decisions or with alternative funders, and a resulting lack of good sources of information on funding status for the survey, and iii) a lack of perceived value or prioritization of the activity.

The most proximate barrier was the lack of funding; CNFI did not have the funding to undertake the FinScope population-level survey with a budget of approximately \$650,000. When that lack of budget for the survey was identified in 2021, the OTA resident advisor was unable to advocate for the inclusion of the survey in any future budgets. As the OTA resident advisor was based out of CNFI, their ability to build strong connections in other parts of the government appears to have been limited — both within MEF but outside of CNFI, and also outside MEF with other important stakeholders, such as CSBF in the CBM. This limited the resident advisor’s ability to advocate for activities — this survey being one example — but also limited the information the resident advisor had access to in order to make strategic and informed decisions. The evaluation team did not find any evidence that the resident advocated for this additional budget within MEF. Possible reasons for this were that the resident advisor did not think that advocacy was a focus of their role, or they did not have sufficiently strong relationships with those making budget decisions to advocate for these kinds of activities. Beyond funding sources in the GOM, the OTA resident advisor contacted the U.S. Agency for International Development (USAID) following up on a request from CNFI, but no other advocacy for support or funding from other partners or donors is documented or noted. Regardless of whether this advocacy within or outside the GOM would have been successful — and noting that finding the funding for even a small portion of the \$650,000 survey is a heavy lift — the lack of activity to attempt to advocate for this survey appears to have been a missed opportunity.

Finally, it does not appear the survey was a priority to government stakeholders in or outside of CNFI. CNFI’s mandate is broad with the focus on general financial inclusion, but CNFI is not the insurance or financial services regulator. OTA did discuss other options for smaller surveys with CNFI, but they were not interested at the time to pursue these options. In a limited resource environment, CNFI has many priorities, and from the interviews with CNFI staff, this survey did not appear to be one of them. This is compared to developing the M&E system detailed in component 3, which was a high priority for the team, and where a lot of staff time was spent. With more advocacy and focus on this activity, it is possible that consensus and support for this activity could have been built within CNFI, but it is also possible that no amount of advocacy and support would have changed the outcomes here.

Not Achieved: 1.4 CEAM establishes a ToT program to build the capacity of Malagasy insurance companies to adapt and offer microinsurance education for low-income populations. CEAM staff disseminate model insurance education materials that describe access to and usage of microinsurance products for low-income populations to Malagasy insurance companies.²⁶

This outcome is closely tied with outcome 1.2 detailed above, which aimed to update CNFI’s financial education materials. That outcome was achieved, as those materials were developed and

²⁶ One of three activities was cancelled under this outcome.



integrated into the official curriculum. This outcome aimed to use a version of those same materials to establish a ToT program with CEAM for its insurance company members. According to interviews and project documents, CEAM and its members did not approve of the final materials provided by the OTA resident advisor, and a ToT program — even one run by CEAM or the insurance companies — was not established; therefore, the evaluation team has assessed this outcome as not achieved.

Several factors hindered the success of the CEAM ToT program: i) expectations on the needs and deliverables of this outcome were not aligned between OTA and CEAM, ii) communication between OTA and CEAM appears to have been limited and the partnership between OTA and CEAM does not appear to have been strongly or clearly established, iii) the resident advisor attempted to use the same deliverable for multiple audiences and the materials were not adequately prepared for those various needs, iv) timelines were limited to accomplish the task and address issues or delays, and v) there was a lack of socialization and review for the product among the intended audience.

From the beginning, it appears there were some misalignments between OTA and CEAM on the needs and expectations for this training. The training was meant to provide materials on microinsurance and the new insurance law to CEAM’s members. OTA reports requesting a meeting with CEAM representatives in March 2021 and then again in May 2021, and notes a vision that OTA would present training materials to CEAM and, “invoke their assistance” to train insurance companies.²⁷ While CEAM representatives agree that the training materials were needed, and they recall one meeting with OTA in 2021, CEAM reported it felt it was not sufficiently consulted on the training’s contents and requirements.

Beyond not establishing CEAM's needs from the beginning, there was limited communication with CEAM throughout the process. OTA and CEAM representatives do not describe meetings for review and discussion between this initial meeting in 2021 and the provision of the materials in 2022 just a few months before the OTA resident advisor ended their tenure in Madagascar. The lack of clear communication and partnership during this time meant the questions that stood at the initial meeting continued throughout product development. When the product was delivered, it did not meet CEAM’s needs because it was too basic for a technical audience and not Malagasy-specific; since CEAM was not sufficiently engaged in the processes, respondents noted they did not feel they could push it forward.

When the resident advisor reported starting to work on the draft insurance education materials in July 2021, they were working on them to serve the purposes of CNFI (Outcome 1.2) and CEAM. While there was overlapping needs, the various stakeholders involved in each had different perspectives on what is important. Notably, the materials were shared with various other stakeholders in December 2021 but were not shared with CEAM until March 2022.

Finally, timelines were also a barrier to finalizing the training materials. CEAM could not review the materials provided in March 2022 until April. Once CEAM was able to review the materials, there were just two months before the resident advisor left the country, which was not enough time for several rounds of review and feedback from multiple actors. One respondent aptly noted,

²⁷ OTA BFS Madagascar Project Monthly Report, May 2021.



“maybe it was a problem of timing. We should have worked on finishing the tools long before so that we would have had the time to do the ToT before [the resident advisor’s] departure.” With only a few months remaining, there was no time to incorporate or address CEAM’s comments, which included making the materials more specific to the Malagasy context. There was also not time to socialize the materials with CEAM and the insurance companies. When the resident advisor left, a CEAM representative said they worked with MEF to create a new document, a guide for policyholders, that they are currently using now.





Component 1: Conclusions

The insurance sector development component was partially achieved, with two outcomes fully achieved and two outcomes not achieved. The OTA resident advisor contributed to the new Malagasy insurance law and advocated for changes to be made around financial inclusion and customer protection. The resident advisor also had some success in updating insurance sector educational products, which CNFI reported are included in the national curriculum to this day. However, work on the microinsurance customer survey stalled and there were significant problems with securing funding, establishing expectation, and communication among key stakeholders for the CEAM ToT program. OTA’s aims under this outcome are therefore partially achieved. Partnerships were a crosscutting theme to these outcomes, where partnerships with WB and within CNFI helped achieve outcomes 1.1 and 1.2, while additional partnerships were needed to push forward the FinScope survey in outcome 1.3, and a lack of clarity in partnerships prevented the achievement of the CEAM ToT program in outcome 1.4.














Component 2: Index Insurance Program

Component 2 aimed to support GIZ to establish a pilot index insurance program in southern Madagascar. Project activities that were planned under this component included i) issuing a RFP to identify an insurance company in Madagascar, ii) obtain a tax exemption for insurance products for low-income consumers, iii) establish a revenue-neutral tax scheme to offset lost revenue from the tax exemption, iv) CBM granting approval to the program, v) establishing a viable distribution network for the index insurance product, vi) distributing financial literacy materials to customers, and vii) launching the pilot index insurance program. Table 6 summarizes the findings for component 2, and a detailed discussion follows the summary.

Table 6: Component 2 Outcomes, Status, and Sustainability.

Outcomes	Achievement (EQ 1, EQ 3)	Sustainability (EQ 2)	Themes
 2. Index Insurance Program			
2.1 A RFP is issued for Malagasy insurance companies to express interest in offering a pilot index insurance product. Malagasy	 A RFP was issued and a Malagasy insurance company, ARO, was selected.	 While this outcome was focused on a one-time event, GIZ continues to work	










Outcomes	Achievement (EQ 1, EQ 3)	Sustainability (EQ 2)	Themes
 2. Index Insurance Program			
authorities select an insurance company and index insurance product for testing in Madagascar.	The OTA resident advisor contributed to this RFP.	with insurance companies in Madagascar.	
2.2 The Director of Taxes recommends a tax exemption for insurance products aimed at low-income consumers, including index insurance products. The GOM adopts the tax exemption, reducing the cost to Malagasy consumers and increasing viability of the product.	 A tax exemption for the 20% value-added tax (VAT) on index insurance products was adopted in 2021.	 The 20% VAT for index insurance products was reinstated in 2023.	
2.3** The DGI recommends a new revenue-neutral tax scheme to offset intended revenue through taxes on microinsurance products by increasing revenue from other mandatory insurance products (including motor insurance). The GOM adopts the revenue-neutral tax scheme, reducing the cost of insurance to low-income Malagasy consumers. ²⁸	 Although OTA, GIZ, and WB began advocating for the implementation of the revenue-neutral tax scheme, it was not actively considered or adopted by the GOM.	 As this objective was not achieved, it was not sustained.	
2.4 The CBM grants supervisory approval for the pilot index insurance program, allowing the index insurance pilot program to move forward.	 CBM granted approval for GIZ to implement the index insurance program.	 While this program was a pilot and is not implemented presently, it informed future GIZ work.	
2.5 Madagascar has a viable distribution network for the index insurance product and participating vendors understand the sale and administration of the product. ²⁹	 GIZ identified vendors for its pilot project; the OTA resident advisor provided a list of possible vendors as	 The vendors that were established during the pilot no longer provide this product.	

²⁸ One of two activities was cancelled under this outcome.

²⁹ Two of three activities were cancelled under this outcome.



Outcomes	Achievement (EQ 1, EQ 3)	Sustainability (EQ 2)	Themes
 2. Index Insurance Program			
	support for the project.		
2.6 CNFI and the distribution channel distribute financial literacy materials in target pilot area to raise awareness among Malagasy agricultural producers of the availability and benefits of index insurance. Increased consumer awareness leads to a greater demand for index insurance. ³⁰	 GIZ, and partners under the PrAda project, successfully distributed various financial literacy materials and trainings in the target pilot area. CNFI and the OTA resident advisor were not significantly involved in this process.	 The PrAda team provided robust financial literacy materials for its pilot but did not establish a sustainable index insurance market in this area, so the materials are no longer in use.	
2.7 A pilot index insurance program is launched allowing Malagasy agricultural producers to purchase index insurance products that allow them to mitigate risks to their livelihood. ³¹	 GIZ and other PrAda partners successfully launched the pilot index insurance project.	 While GIZ learned from the pilot, the index insurance program is no longer active.	

* Updated from original log frame to final log frame.

** New addition in final log frame.

Component 2: Findings



EQ 1: Which of the anticipated project outcomes were achieved?

Fully Achieved: 2.1 A RFP is issued for Malagasy insurance companies to express interest in offering a pilot index insurance product. Malagasy authorities select an insurance company and index insurance product for testing in Madagascar.

This outcome is fully achieved because a RFP was issued, and a Malagasy insurance company was selected to pilot an index insurance product. GIZ’s PrAda I — operating from 2017–2022 —

³⁰ One of two activities was cancelled under this outcome.

³¹ One of one (all activities) was cancelled under this outcome.



identified the Anosy and Androy regions in southern Madagascar as appropriate locations for the pilot, and ultimately circulated the call for an insurance firm to underwrite and launch the product.

In October 2018, PrAda began to hold operational planning workshops, through which attending participants, including OTA, had the opportunity to provide input on the index insurance pilot, among other project areas. It was during these workshops that the OTA resident advisor and CNFI agreed to collaborate with GIZ on this third component, which was intended to also align with the resident advisor’s task of creating insurance educational materials and training. The following year in 2019, GIZ laid the groundwork for the pilot project. Notably, GIZ held informational sessions with four insurance companies that could potentially implement the pilot project.

Over several months in 2021, GIZ drafted the RFP for insurance companies with input from OTA. Ultimately, the state-owned insurance company, ARO, was chosen due to its size — at the time, holding 50% of the market share — and geographic relevance as a Malagasy company. Notably, the RFP process did not have a large impact on the GIZ index insurance program, one respondent commenting that ARO was, “an inevitable choice ... because already the other insurance companies, even though they’d participated in all the awareness and information sessions he’d had before, in the end, they didn’t apply.” Upon selection, a Terms of Reference was signed between GIZ and ARO. As was mentioned by one respondent, the microinsurance product, “really [was] a new, innovative product for Madagascar,” and thus necessitated preparation and capacity building via a series of technical trainings.³²

The OTA resident advisor participated in the three activities related to this outcome, even if she did not lead them. The resident advisor i) collected scoping information by meeting with Malagasy insurance companies in the private sector, ii) partially supported GIZ’s drafting of the RFP and other documentation, and iii) participated on the selection committee. Though this outcome was fully achieved, OTA’s contribution to its success was more as a supporting actor than as the lead.

***Partially Achieved:** 2.2 The Director of Taxes recommends a tax exemption for insurance products aimed at low-income consumers, including index insurance products. The GOM adopts the tax exemption, reducing the cost to Malagasy consumers and increasing viability of the product.*

This outcome was partially achieved due to a short-lived adoption of a VAT exemption — originally 20% — on agricultural microinsurance products.³³ However, this activity was originally intended to remove the VAT for a broader array of microinsurance products targeted at low-income consumers, not only index insurance products. As noted by the resident advisor in a monthly report, “In truth, the team wants taxes lifted for all insurance products aimed at a poor segment of the population, but that may be a longer discussion for another day.”³⁴ Since the VAT exemption was only applied to index insurance, the evaluation team has rated it as partially achieved.

³² OTA’s involvement in training is detailed in Outcome 2.6.

³³ The GOM also levied a 4.5% insurance-specific tax on products, in addition to the 20% VAT.

³⁴ OTA BFS Madagascar Project Monthly Report, September 2020.



To promote and facilitate a successful index insurance pilot (Outcome 2.1), an informal insurance working group (IWG) comprised of donor actors — including GIZ, OTA, WB, World Food Programme, and International Finance Corporation — identified the need to lobby for tax easements on microinsurance to the DGI.³⁵ Notably, there was disagreement within different arms of these donor actors on the correct way forward for Madagascar; some individuals advocated for removing taxes on these kinds of products, and others noted Madagascar’s deficit and the inconsistent tax code that leads to many exceptions that do not necessarily help the Malagasy people long term. Many of these topics were first discussed among stakeholders during the insurance law revision process (Outcome 1.1). Despite these disagreements and the political sensitivity, discussions of tax abatement moved forward with the aim of making these types of products affordable for low-income groups, such as farmers. Since insurance companies would pass any VAT on to the consumer via increased premiums, prices could be considered prohibitive for the typical Malagasy farmer. The proposed microfinance pilot program was intended to be self-sustaining via farmers’ voluntary purchase of the product, so the index insurance product obligated a low cost to attract buyers.

From 2019–2021, IWG took a multi-pronged approach in showing a united front by providing testimony to the DGI and individually targeting different counterpart stakeholders to lobby for a VAT exemption. During this time, there were multiple meetings with the GOM, including a meeting with the resident advisor and a staff economist in the Office of the Presidency to share an updated presentation on the significance and the argument behind removing the tax. After this period of advocacy by IWG, in August of 2021, the effort was defeated in a parliamentary vote.

IWG members reconvened and renewed their advocacy efforts, resubmitting the technical note and meeting with the relevant counterparts. In November 2021, the 20% VAT exemption on agricultural microinsurance products was adopted. However, it is important to note that a specific insurance product tax of 4.5% was allowed to remain in place. One interviewee noted that the achievement of the exemption was due to joint advocacy of a consortium of members — including GIZ, OTA, and the Malagasy Ministry of Agriculture — and thus, this outcome can be viewed as a success story of donor partnership. As will be discussed in the following section on the sustainability of outcomes, however, the VAT was reimposed on agricultural insurance products in 2023.

Fully Achieved: 2.4 The CBM grants supervisory approval for the pilot index insurance program, allowing the index insurance pilot program to move forward.

The CBM did grant approval for the pilot index insurance program, so this outcome was fully achieved. As a result of the 2020 Malagasy insurance law, insurance supervisory functions were transferred from the MOF’s SIF to the CBM’s CSBF (detailed further in Outcome 1.1). As noted by a WB respondent, the transition was markedly rapid, “the law was amended and supervision transferred in 18 months or 20 months, which is super-fast.”

Counterparts at the CBM noted that GIZ and ARO approached CSBF in 2020 for authorization prior to launching its work in southern Madagascar. This was during the transition of supervisory functions, but given the law had passed, GIZ and ARO met with CSBF rather than SIF. At this

³⁵ DGI is located within MEF.



time, the CBM requested that GIZ provide information regarding the downstream progress and outcomes of the pilot to ensure CSBF was positioned properly to oversee and regulate the index insurance product. After this meeting, CSBF provided its approval in October of 2020.

Prior to this decision, CSBF, OTA, and GIZ had primarily worked with SIF under the MEF to encourage and request the authorization. Later, OTA assisted GIZ in developing the necessary authorization paperwork and attended meetings at the CBM around the process, but as one respondent noted, OTA was, “not as a major contributor,” to this outcome. The evaluation team could find little evidence of notable OTA contribution to this activity, as this activity was fully led by GIZ and ARO.

Fully Achieved: *2.5 Madagascar has a viable distribution network for the index insurance product and participating vendors understand the sale and administration of the product.*³⁶

Under PrAda, GIZ successfully established a network for distributing the index insurance product in the pilot area of southeast Madagascar. There were two vendors for the product, ARO and the Farmer’s Association (*L’Organisation des Producteurs*). OTA respondents reported that they provided a list of possible vendors to GIZ, but the evaluation team was unable to confirm this contribution with a GIZ respondent. The evaluation team has assessed this outcome as fully achieved since GIZ’s establishment of the distribution network for the pilot product is clearly established based on evidence sourced from distinct actors and program documentation.

Partially Achieved: *2.6 CNFI and the distribution channel distribute financial literacy materials in target pilot area to raise awareness among Malagasy agricultural producers of the availability and benefits of index insurance. Increased consumer awareness leads to a greater demand for index insurance.*^{37,38}

GIZ, and partners under PrAda project successfully distributed various financial literacy materials and trainings in the target pilot area. CNFI and the OTA resident advisor were not significantly involved in this process, so this outcome is partially achieved. GIZ and ARO created various training and sensitization materials for the pilot index insurance program, including radio spots, picture games, card games, product brochures, leaflets, flip charts, and other training materials. PrAda also did trainings and sensitization on the ground. Beyond the work done directly with consumers, GIZ provided a series of technical seminars on insurance targeted at SIF, CNFI, CSBF, and other stakeholders, including the Ministry of Agriculture, the National Bureau of Disaster and Risk Reduction, and others.

According to project documents, the OTA resident advisor was involved in reviewing some training materials, commenting on two different drafts of consumer marketing and education materials. GIZ representatives also reported they sometimes attended the CNFI education sessions detailed in Outcome 1.2. One of two activities under this outcome was cancelled, with an effort

³⁶ Two of three activities were cancelled under this outcome.

³⁷ One of two activities was cancelled under this outcome.

³⁸ The evaluation did not assess the impact-level statement in this outcome, “Increased consumer awareness leads to greater demand for index insurance.”



to refocus OTA staff time on activities they could contribute more significantly to. A respondent detailed how this part of the program came to be included in the TOR:

“The index insurance program was always a GIZ project from the beginning ... but because [the GIZ representative] and [the OTA resident advisor] had a close relationship, [the OTA resident advisor] would always consult with [the GIZ representative] on the project ... [the OTA resident advisor] helped look at their training materials ... at their marketing materials, things like that ... [they] help[ed with] the lobbying ... as well ... so then the reason why it was taken off like the TOR or the work plan was that realistically, it was GIZ project that [the OTA resident advisor] was just helping to consult on.”

It is clear from respondents that OTA management wanted to shift focus away from this component of the project to ensure OTA contributed to areas where it could provide the most benefit. The OTA resident advisor did provide a few small contributions on training materials to this GIZ project while OTA was still involved.

Fully Achieved: 2.7 A pilot index insurance program is launched allowing Malagasy agricultural producers to purchase index insurance products that allow them to mitigate risks to their livelihood.³⁹

PrAda launched a pilot index insurance program in a targeted geographic area in 2020 and 2021. The first pilot focused on peanut farmers, and 141 farmers signed up for the insurance (with 163 trained); the second year, 142 farmers signed up in a different area. One key constraint was the size of the pilot groups due to funding, COVID-19 limitations, and the ongoing drought in the geographic areas the pilot targeted. According to CSBF, the loss ratio was over 100% the second pilot year, which highlights the need for larger groups spanning larger geographic areas to make this kind of product feasible in a market.

OTA cancelled the only activity under this outcome as the work on the pilot index insurance program was a project led by GIZ. OTA management decided to shift focus to those activities where OTA could contribute significantly to improved outcomes in the insurance sector. As one GOM respondent noted, “The OTA is there to put people in touch with each other, but there was no direct intervention.” So, while this outcome is fully achieved, OTA’s contribution to that outcome was limited.



EQ 2: Which of these outcomes have been sustained up to the present?

Fully Sustained: 2.1 A RFP is issued for Malagasy insurance companies to express interest in offering a pilot index insurance product. Malagasy authorities select an insurance company and index insurance product for testing in Madagascar.

While this outcome was focused on a one-time event, the evaluation team has assessed this outcome as fully sustained because GIZ continues to work with insurance companies in

³⁹ One of one (all activities) was cancelled under this outcome.

Madagascar. GIZ’s continuation project, PrAda II, is ongoing, with groundwork continuing to be laid via bolstering available financial products and services in the region (beyond informal systems), readying distribution networks, and promoting adopting relevant climate adaptation technologies among agricultural workers.⁴⁰ Although OTA does not continue to work on index insurance in Madagascar, OTA does continue to work with the GOM in other ways.

Not Sustained: 2.2 *The Director of Taxes recommends a tax exemption for insurance products aimed at low-income consumers, including index insurance products. The GOM adopts the tax exemption, reducing the cost to Malagasy consumers and increasing viability of the product.*

Outcome 2.2 was not sustained, though it was partially achieved. Through the joint advocacy efforts of an informal IWG, a VAT exemption was granted in late 2021, specifically for index insurance products. However, in 2023, the VAT was reimposed for agricultural products.

Not Sustained: 2.3 *The DGI recommends a new revenue-neutral tax scheme to offset intended revenue through taxes on microinsurance products by increasing revenue from other mandatory insurance products, including motor insurance. The GOM adopts the revenue-neutral tax scheme, reducing the cost of insurance to low-income Malagasy consumers.*⁴¹

This outcome was not sustained, as it was not achieved and has not been achieved in the intervening years between project completion and evaluation. After the successful adoption of the index insurance exemption (2022–2023), IWG considered promoting the adoption of a revenue-neutral tax scheme through which growth in the industry and additional enforcement for other types of insurance, such as auto insurance, would result in higher returns despite a lowered tax rate. This outcome is discussed in full detail in the next section on outcomes that were not achieved.

Fully Sustained: 2.4 *The CBM grants supervisory approval for the pilot index insurance program, allowing the index insurance pilot program to move forward.*

This outcome was both achieved and sustained. In 2020, CBM formally granted supervisory approval for the pilot index insurance program to move forward. Through GIZ’s PrAda, the index insurance pilot program was implemented by a Malagasy insurance company, ARO, and continued for two growing seasons. Today, foundational work in financial inclusion continues in the same regions in southern Madagascar via GIZ’s PrAda II. Moreover, CSBF continues to supervise and manage similar insurance products.

Not Sustained: 2.5 *Madagascar has a viable distribution network for the index insurance product and participating vendors understand the sale and administration of the product.*⁴²

⁴⁰ [Deutsche Gesellschaft für Internationale Zusammenarbeit \(GIZ\) GmbH. “Concept Note: Adaptation of agricultural value chains to climate change – PrAda II+.”](#)

⁴¹ One of two activities was cancelled under this outcome.

⁴² Two of three activities were cancelled under this outcome.



Though achieved, this outcome has not been sustained in the intervening years between project completion and evaluation. Respondents noted that the products were no longer sold through those distribution networks in the pilot area. So, while the distribution network was established during the pilot, and used in multiple years afterward in follow-on pilots in the same area, the network established was not robust enough to continue selling the product when the funding and organization from PrAda stopped.

Not Sustained: 2.6 CNFI and the distribution channel distribute financial literacy materials in target pilot area to raise awareness among Malagasy agricultural producers of the availability and benefits of index insurance. Increased consumer awareness leads to a greater demand for index insurance.⁴³

Though partially achieved, this outcome has not been sustained up to the time of the evaluation. The PrAda team provided robust financial literacy materials for its pilot but did not establish a sustainable index insurance market in this area. Therefore, when the program ended, these education efforts also stopped. While the evaluation team is unable to assess whether the knowledge and increased demand was sustained up to the time of the evaluation, the index insurance product is not being sold in the area anymore, so the evaluation team has assessed this outcome as not sustained.

Not Sustained: 2.7 A pilot index insurance program is launched allowing Malagasy agricultural producers to purchase index insurance products that allow them to mitigate risks to their livelihood.⁴⁴

While this outcome was achieved, it was not sustained. The pilot index insurance program was launched by GIZ in the 2020 growing season, and another round of the pilot was completed in 2021. While GIZ and ARO reported that they learned valuable information from the pilot, it does not appear that these products are currently being sold in these areas. It is possible they will be in the future as the insurance sector grows in Madagascar, but as of the evaluation conducted in early 2024, this outcome was not sustained after the end of the project.



EQ 3: For any anticipated outcomes that were not achieved, which factors hindered success?

Not Achieved: 2.3 The DGI recommends a new revenue-neutral tax scheme to offset intended revenue through taxes on microinsurance products by increasing revenue from other mandatory insurance products, including motor insurance. The GOM adopts the revenue-neutral tax scheme, reducing the cost of insurance to low-income Malagasy consumers.⁴⁵

This outcome, which was added as an objective in 2019 during work on Outcome 2.2, was ultimately not achieved. The aim was to increase the number of people enrolled in auto insurance, and other mandatory insurance efforts that are taxed, while decreasing or removing the taxes on insurance targeted at low-income populations (i.e., Outcome 2.2 and index insurance). Although

⁴³ One of two activities was cancelled under this outcome.

⁴⁴ One of one (all activities) was cancelled under this outcome.

⁴⁵ One of two activities was cancelled under this outcome.



OTA, GIZ, and WB began advocating for the implementation of the revenue-neutral tax scheme, it was not actively considered no adopted by the GOM. Project documentation from the OTA resident advisor notes that an informational presentation was developed from contributions of the three organizations, but never delivered to its intended audience.

Interviewees noted that the effort was primarily spearheaded by a key effort by WB until funding was cut. As stated by one respondent, once the relevant champion at WB had left the country, “it was shelved.” It was around this time that the advocacy efforts were postponed and later cancelled. As noted by the monitoring template in the log frame, “This activity has been cancelled as the resident is returning from tour of duty and the presentation has not been scheduled.” The OTA resident advisor noted that once the WB representative lost their funding, it was clear that without their support and experience, this complex and political effort would not move forward.

Component 2: Conclusions

Component 2 was partially achieved, with seven outcomes, four were fully achieved, one was partially achieved, and one was not achieved. The GIZ PrAda, with support from OTA and other donor organizations operating in the same space, successfully launched an agricultural insurance product in southern Madagascar. During this time, other achievements were documented, such as a temporary exemption on the microinsurance VAT.

As noted by many respondents, a theme to all outcomes in this component was that they were led by others. The resident advisor said that the pilot:













“Was always [led by] GIZ, but I felt as a resident advisor that my job wasn’t really to take credit ... It was just to help push along quality development projects wherever possible. Which I know isn’t ... as helpful for the M&E, that is important also. I would have liked to be able to continue like working on the tax reduction education piece ... but I feel that we ran out of time. I mean, there’s just so much work. [It’s] a ripe environment.”

Component 3: Financial Inclusion M&E System



















Component 3 focused on implementing a M&E system to collect and manage the financial and economic data to report on financial inclusion in Madagascar. Planned project activities under this component included i) CNFI implementing a web-based data portal, ii) CNFI measures financial services and performs comparative analysis, iii) CNFI manages relevant data and is the source of this information for the GOM, iv) CNFI uses Power BI to create analytical reports, v) CNFI and the Steering Committee use and have access to the financial inclusion dashboard, and vi) GOM uses electronic payment information. Table 7 summarizes the findings for component 3, and a detailed discussion follows the summary.









Table 7: Component 3 Outcomes, Status, and Sustainability.

Outcomes	Achievement (EQ 1, EQ 3)	Sustainability (EQ 2)	Themes
 3. Financial Inclusion M&E System			
<p>3.1 CNFI implements a web-based data portal that allows it to receive financial inclusion data directly from banks, MFIs, insurance companies, pension funds, and the postal service. CNFI uses standardized data collection to facilitate timely and accurate analysis of financial inclusion information.</p>	 With the intermittent advisor’s support, CNFI piloted a web-based data portal, and some MFIs reported through it; but banks, insurance companies, pension funds, and the postal service do not report. Approximately 75% of MFIs currently report to CNFI, but they use standardized Excel templates and not the web-based data portal.	 The status of this outcome has not changed since the project closed in 2023. CNFI is seeking a decree that requires data reporting, but it has not been adopted yet.	  
<p>3.2 Using a standardized set of financial inclusion indicators and indicator targets, CNFI’s team measures access to and usage of financial services by location and type of consumers (individuals, small enterprises) and performs a comparative analysis with other countries. The National Financial Inclusion Strategy Steering Committee orients and adjusts its policies based on the level of financial inclusion achieved.</p>	 Given the lack of data, CNFI did not consistently measure access to and usage of financial services, and they were unable to perform a comparative analysis. OTA did support CNFI to develop a standardized set of financial inclusion indicators.	 The status of this outcome has not changed since the project closed in 2023. CNFI is seeking a decree that requires data reporting, but it has not been adopted yet. The indicators developed during the project are still in use.	   



Outcomes	Achievement (EQ 1, EQ 3)	Sustainability (EQ 2)	Themes
 3. Financial Inclusion M&E System			
<p>3.3 CNFI’s monitoring team consolidates, manages, and updates demographic, economic, and financial data received from multiple sources, including financial and administrative institutions in an automated database. CNFI becomes a source of economic and financial information for the Malagasy government.</p>	 CNFI receives data from approximately 75% of MFIs but does not receive information from the other institutions. It is also still collecting data with Microsoft Excel and not through the automatic database, which requires more data cleaning and management.	 The status of this outcome has not changed since the project closed in 2023. CNFI is seeking a decree that requires data reporting, but it has not been adopted yet.	   
<p>3.4* CNFI employees use the graphic user interface to retrieve raw data from the CNFI database and export into Power BI without coding knowledge or IT technical assistance. CNFI use Power BI data to create and populate analytical reports. CNFI uses analytical reports and associated analysis to inform the Malagasy government’s decision-making process.</p>	 With the training of the OTA intermittent advisor, CNFI staff were equipped and able to use Power BI to produce analytical reports. The limited data in the automated database has prevented CNFI staff from utilizing its full technical knowledge to produce expansive reports for the GOM.	 The status of this outcome has not changed since the project closed in 2023. CNFI is seeking a decree that requires data reporting, but it has not been adopted yet.	  
<p>3.5 CNFI and the Steering Committee use the financial inclusion dashboard to access visual financial inclusion reports that demonstrate progress made. Decision-makers have continuous access to key information that will help promote further financial inclusion in Madagascar.</p>	 CNFI, with the intermittent advisor’s support, built a sample dashboard, but was unable to set up a dashboard with real data, due to the lack of data in the automatic dashboard.	 The status of this outcome has not changed since the project closed in 2023. CNFI is seeking a decree that requires data reporting, but it has not been adopted yet.	   



Outcomes	Achievement (EQ 1, EQ 3)	Sustainability (EQ 2)	Themes
 3. Financial Inclusion M&E System			
<p>3.6 CNFI, the Steering Committee, and other administrative authorities use reports on retail electronic payments to assess the impact of the recent banking law reforms aimed at increasing access to financial services through mobile banking. The GOM uses this information to better promote electronic payments, encouraging participation in the financial services sector.</p>	<p> EMIs, like various other stakeholders, have not submitted data to CNFI. No reports have been developed on EMIs.</p>	<p> The status of this outcome has not changed since the project closed in 2023. CNFI is seeking a decree that requires data reporting, but it has not been adopted yet.</p>	  

* Updated from original log frame to final log frame.

** New addition in final log frame.

Component 3: Findings



EQ 1: Which of the anticipated project outcomes were achieved?

Partially Achieved: 3.1 CNFI implements a web-based data portal that allows it to receive financial inclusion data directly from banks, MFIs, insurance companies, pension funds, and the postal service. CNFI uses standardized data collection to facilitate timely and accurate analysis of financial inclusion information.

Outcome 3.1 is a major outcome of component 3 and is a prerequisite to the other outcomes under this component; only partially achieving outcome 3.1 had negative impacts on the remaining outcomes in component 3. By the end of the project, the OTA intermittent advisor had worked with CNFI to set up a web-based data portal to collect financial inclusion data, and had done testing of the portal, but institutions that were reporting were still reporting using the Microsoft Excel template (detailed further below). Some banks and MFIs, and all insurance companies, the pension fund, and the postal service had not reported in any fashion — either through the data portal or through the Microsoft Excel template. This significantly restricted the functionality of any financial inclusion analysis or reporting CNFI could do with the available data. Therefore, CNFI has the system set up to allow it to collect financial inclusion data but has not implemented it fully, so this outcome is partially achieved.

Engagement on this project started with a request from a CNFI staff person who was in Washington, D.C., for unrelated meetings in 2016. This CNFI staff person met with OTA and described the needs of the M&E system, so OTA designed this project component to speak to that need. When the project began, CNFI was using Microsoft Word and Excel to collect data from MFIs. One respondent noted, “sometimes the reports would come in on pencil.” The CNFI team would then spend a significant amount of time cleaning the data before uploading to a MySQL



database. At first, the intermittent advisor’s focus was to improve the templates to make the process of reporting easier, including working with a visual basic for applications programmer who was seconded from another department of MEF. This process was completed mid-2019. However, around the same time, CNFI also recruited a new computer programmer and decided that a web-based application was a better fit for its needs. This decision was driven internally by CNFI, but it was supported by the OTA intermittent advisor.

With the active support of the intermittent advisor, CNFI was able to set up the web-based data portal so institutions could submit financial inclusion data online. The data portal can be accessed on the CNFI website and was tested and piloted with some MFIs. However, for various reasons, the portal is not currently in use, including: i) financial institutions are not legally required to upload data to the portal, ii) financial institutions are unclear on the benefits they can derive from the process, iii) financial institutions report having difficulty using or accessing the portal, and iv) financial institutions are concerned about the data protections of the portal.

To address the first issue, CNFI has worked for years to get a decree adopted and published by the GOM mandating reporting to CNFI for the five categories of institutions that the 2018–2022 SNIM says should be reporting financial inclusion information — banks, MFIs, insurance companies, the pension fund, and the postal service. This decree was first mentioned in project documents in September 2019, and was still not approved as of this evaluation (March 2024). In 2020, the decree was rejected, and an updated version was submitted again. CNFI reported that OTA supported them in lobbying for the decree, saying that, “OTA was instrumental in bringing out ... the decree. We held awareness-raising sessions with the Ministry’s Secretary General and Director General. And it passed [them]. OTA played a part in this. [The intermittent advisor] was there to make the presentations.” In March 2022, the decree was approved by the Council of Ministers, but it is still in the process of being approved by the GOM. Respondents did not know when the GOM will sign off on the decree, or if they will; the decree has been stuck at the GOM’s level for more than two years now.

At the same time, there was some effort made to socialize and sensitize those institutions that would need to be reporting financial inclusion data to CNFI. A CNFI representative noted that, “I think this blockage would still have occurred even if we [continued using] Excel files, because it’s really the reluctance of institutions to provide data. It’s not the system that’s lacking, it’s not the application.” To address this reluctance, CNFI, with the support of OTA, conducted meetings starting in 2019 with various institutions but did not have much success in convincing them to report into the system without the legal requirement. Later, CNFI focused on getting the decree for the legal requirement. Respondents now note that, “not enough outreach was conducted by CNFI to explain the advantages and benefits of using the web-based data portal and how the data would be safe and secure.” CNFI also reflected, noting, “Maybe we should have done more [about sharing data] during awareness campaigns. We [talked about] it, but if they were ... able to see visuals on a regular basis, I don’t know, maybe we should have focused more on feedback for institutions.” Another CNFI respondent noted, “Maybe there wasn’t enough lobbying. Maybe we didn’t lobby the people concerned, I don’t know.”

OTA did support CNFI to look for alternative courses of action. For example, OTA participated in meetings with CSBF to discuss CSBF and CNFI working together to gather information that



was required for financial inclusion, as many of these institutions already report to CSBF as their regulator. CSBF reported being interested in pursuing this course of action. However, this has since been dropped for various reasons, including focusing on the decree and because CSBF did not have most of the data CNFI would need; one respondent estimated that only 14% of the necessary data for CNFI's reporting was available at CSBF.

Collecting financial inclusion data from the whole of the financial sector is a very challenging task and it seems that in the beginning OTA underestimated the effort and transformational change required within CNFI and among the local stakeholders. To put it succinctly, one respondent said to the evaluation team, "CSBF send[s] their staff on motorbikes to collect data from firms across the country, and now to expect firms to use [the] internet and computers to submit data to CNFI via a web-portal is not realistic, especially in a country where internet access and computers are not readily available." OTA respondents also noted learning from the experience, stating, "when we were starting this work in Honduras, they [said] ... 'you can create the system on Power BI, fantastic. So, you can have it done next month?' and I said, 'Oh yeah, we can have it done ... But for anyone to use that, we're talking about 18 months at best.' ... We're talking about a huge amount of change within [an] agency's understanding what this is being utilized for. So ... I'm happy we're in that position now."

The fact that this outcome was partially achieved negatively impacted the other outcomes under this component, as they all depend on using data collected from the data portal. The evaluation team has assessed these outcomes both as they stood at the end of the project and as they stand at the time of the evaluation (March 2024). It is possible that if the decree is passed over the next few years, there will be significant changes to these outcomes. At this point, according to interviews, 75% of MFIs are reporting to CNFI using the updated Microsoft Excel templates, but not the web-based platform.

***Partially Achieved:** 3.2 Using a standardized set of financial inclusion indicators and indicator targets, CNFI's team measures access to and usage of financial services by location and type of consumers (individuals, small enterprises) and performs a comparative analysis with other countries. The National Financial Inclusion Strategy Steering Committee orients and adjusts its policies based on the level of financial inclusion achieved.*

As detailed in Outcome 3.1, CNFI does not collect a significant amount of the targeted financial inclusion data. This lack of data has prevented CNFI from completing a comparative analysis with other countries. OTA supported CNFI to develop a standardized set of financial inclusion indicators, and OTA suggested using indicator targets for those indicators. While some of the indicators do have targets now, others do not. The CNFI team and stakeholders do not want to set targets for indicators without any data on what those indicators currently measure. While the proximate cause of this outcome not being achieved is lack of data, the reasons for that lack of data are detailed in the section on outcome 3.1. This outcome is assessed as partially achieved as the indicators were developed, while all other elements of the outcome were not achieved.

***Partially Achieved:** 3.4 CNFI employees use the graphic user interface to retrieve raw data from the CNFI database and export into Power BI without coding knowledge or IT technical assistance. CNFI use Power BI data to create and populate analytical*



reports. CNFI uses analytical reports and associated analysis to inform the Malagasy government's decision-making process.

Once the database was in progress (Outcome 3.1), and while work was ongoing to get the decree in place, the OTA intermittent advisor worked to train CNFI staff to use Power BI to automate reporting. CNFI staff were equipped and able to use Power BI to produce analytical reports and were able to work with both the real database data and sample data being used at that point from the web-based data portal. The limited data in the automated database has prevented CNFI staff from utilizing their full technical knowledge to produce expansive reports for the GOM, so this outcome is only partially achieved.

The OTA intermittent advisor provided training and support over multiple years to train the team and set up the system for Power BI. One CNFI respondent noted, “For us, the training courses were really beneficial in terms of Power BI. Now ... we don't use it directly with the database because the application isn't yet fully operational, but we can use it with the Excel files we have to make graphs and to make our activity reports and various statistics.” Another CNFI respondent noted that they used it in their last activity report and use it where they can now. Notably, OTA paid for a license for a few members of the team for a few years during the project, but also equipped them to use the free version, which is what they use now. The CNFI team reports that they feel equipped to produce the reports that would be necessary once the decree is in place, but that it would be helpful to have additional time with the intermittent advisor when that comes through to ensure they set up the processes and systems well.



EQ 2: Which of these outcomes have been sustained up to the present?

Partially Sustained: 3.1 CNFI implements a web-based data portal that allows it to receive financial inclusion data directly from banks, MFIs, insurance companies, pension funds, and the postal service. CNFI uses standardized data collection to facilitate timely and accurate analysis of financial inclusion information.

While CNFI reports that the web-based data portal is operational, it is in the same state that it was at the end of the project. The portal is therefore operational, according to CNFI, but not in use because of the missing decree. Those MFIs that are reporting are still reporting through the updated Microsoft Excel templates, and CNFI staff are manually uploading their data to the database. It also does not appear that there has been a significant change in the number of MFIs or other institutions reporting into the system since the project ended to when the evaluation was conducted in March 2024. For these reasons, this outcome is partially sustained.

Partially Sustained: 3.2 Using a standardized set of financial inclusion indicators and indicator targets, CNFI's team measures access to and usage of financial services by location and type of consumers (individuals, small enterprises) and performs a comparative analysis with other countries. The National Financial Inclusion Strategy Steering Committee orients and adjusts its policies based on the level of financial inclusion achieved.

This outcome was partially sustained, as it was partially achieved and no changes have occurred in the intervening years between project completion and evaluation. Since data are still not being consistently collected, there is not enough information to feed into any comparative analysis or



target setting exercise. The standardized set of financial inclusion indicators was developed during the project, and those indicators are still in use at the time of the evaluation.

Not Sustained: 3.3 CNFI's monitoring team consolidates, manages, and updates demographic, economic, and financial data received from multiple sources, including financial and administrative institutions in an automated database. CNFI becomes a source of economic and financial information for the Malagasy government.

This outcome was not sustained, as it was not achieved and has not been achieved in the intervening years between project completion and evaluation. Since the data portal is not fully implemented, the automated database is not being used. Further, the data that is being collected is sufficient to provide some information but most of the institutions CNFI must report on are not sharing data, and CNFI is not the source of economic or financial information within the GOM. This outcome is discussed in full detail in the next section on outcomes that were not achieved.

Partially Sustained: 3.4 CNFI employees use the graphic user interface to retrieve raw data from the CNFI database and export into Power BI without coding knowledge or IT technical assistance. CNFI use Power BI data to create and populate analytical reports. CNFI uses analytical reports and associated analysis to inform the Malagasy governments decision-making process.

As detailed above, CNFI benefited from training from the OTA intermittent advisor to use Power BI to prepare graphical analysis, and CNFI reports they are still utilizing those skills with the existing data. CNFI staff report using their Power BI skills to inform their current reports, and that the skills they acquired are still in use today. Notably, it does not appear that the GOM has purchased Power BI licenses for the staff, but is instead relying on the free version, which according to staff, is sufficient for the data they currently work with. CNFI continues to be significantly limited by the amount of data they have been able to gather, but they have been able to use Power BI with the data they do have, so this outcome is partially sustained.

Not Sustained: 3.5 CNFI and the Steering Committee use the financial inclusion dashboard to access visual financial inclusion reports that demonstrate progress made. Decision-makers have continuous access to key information that will help promote further financial inclusion in Madagascar.

This outcome was not sustained, as it was not achieved and has not been achieved in the intervening years between project completion and evaluation. Up until the point of the evaluation, the dashboard has not been created due to the lack of data. It is possible that once the decree is in place, the dashboard will be implemented, as there is still interest among the CNFI team to do so. This outcome is discussed in full detail in the next section on outcomes that were not achieved.

Not Sustained: 3.6 CNFI, the Steering Committee, and other administrative authorities use reports on retail electronic payments to assess the impact of the recent banking law reforms aimed at increasing access to financial services through mobile banking. The GOM uses this information to better promote electronic payments, encouraging participation in the financial services sector.



This outcome was not sustained, as it was not achieved and has not been achieved in the intervening years between project completion and evaluation. Without the above-mentioned decree, the Electronic Money Issuers (EMIs) are still not submitting their data to CNFI; therefore, CNFI is still unable to report on these EMIs. This outcome is discussed in full detail in the next section on outcomes that were not achieved.



EQ 3: For any anticipated outcomes that were not achieved, which factors hindered success?

Not Achieved: 3.3 CNFI's monitoring team consolidates, manages, and updates demographic, economic, and financial data received from multiple sources, including financial and administrative institutions in an automated database. CNFI becomes a source of economic and financial information for the Malagasy government.

As detailed above, CNFI is collecting data primarily from the MFIs, which CNFI staff manually include in a central database. The process is improved as compared to when the OTA project began, but the automated database is not in full use at this point. CNFI uses this limited amount of data to perform some analysis; however, the intent of this project was to enable CNFI to consolidate the data from various sub-sectors of the financial sector and perform the analysis to provide up-to-date economic and financial information to the GOM. As detailed above, the lack of data from the web-based portal prevents CNFI from consolidating the data in an automatic database and from doing the full analysis to provide the relevant data and information about financial inclusion to the GOM. For these reasons, this outcome is not achieved.

Not Achieved: 3.5 CNFI and the Steering Committee use the financial inclusion dashboard to access visual financial inclusion reports that demonstrate progress made. Decision-makers have continuous access to key information that will help promote further financial inclusion in Madagascar.

This outcome was not achieved as CNFI did not produce a dashboard that was used outside of a test version, due to the lack of data. This test dashboard was created, but as the dashboard is linked with the online database, this has not been in continuous use and was only active during the pilot of the database. Therefore, the Steering Committee and other GOM decision-makers do not have access to relevant and up-to-date consolidated data on financial inclusion. The lack of data prevents CNFI and the Steering Committee from getting the latest information on financial inclusion, which was the main aim of this outcome.

Not Achieved: 3.6 CNFI, the Steering Committee, and other administrative authorities use reports on retail electronic payments to assess the impact of the recent banking law reforms aimed at increasing access to financial services through mobile banking. The GOM uses this information to better promote electronic payments, encouraging participation in the financial services sector.

This outcome was not achieved, as EMIs, like various other stakeholders, have not submitted data to CNFI. Without this data from the EMIs, CNFI cannot report on any electronic payments. With the lack of analysis and information from CNFI, the GOM cannot assess the impact of the banking law reform to promote electronic payments.



Component 3: Conclusions


























Component 3 was partially achieved, with two partially achieved and four not achieved outcomes. Most of the outcomes in component 3 were directly dependent on the project delivering a fully operational web-based portal, and financial and administrative institutions submitting data to CNFI via that portal. If achieved, this would have enabled CNFI to collect and analyze consolidated data on financial inclusion to advise the GOM on policy. Incidentally, this project component is the main reason why CNFI approached OTA in 2016. However, since the web-based portal was only partially achieved, the remaining outcomes were either not achieved or partially achieved. There were many crosscutting themes to these outcomes, where i) all outcomes were remotely led, ii) all outcomes required data inputs from other institutions, and iii) most outcomes required partnerships to fully achieve their aims.

The reason the web-based portal exists but is still not in use a year after the project ended hinges on the willingness and ability of financial and administrative institutions to submit data to the portal. The factors that led to this issue include: i) a lack of legal requirement for firms to submit data, ii) a lack of outreach and explanatory sessions to explain the advantages and benefits of the CNFI web-based portal to local firms that were meant to use the portal, iii) a perspective from CNFI and OTA early in the project that was based on the premise that building the web-based portal would ensure that local firms would use it, iv) designing project activities focused on the technology without considering the local operational and logistical challenges, such as a local firm's access to computers and internet, v) a lack of measures to ensure data security to the local firms, and vi) a lack of coordination with and endorsement from CSBF. While it is still possible that many of these outcomes could be met in the next few years if the decree is established and enforced, it is not guaranteed.



V. CONCLUSIONS

Table 8: Summary Table of Components 1–3.

Outcomes		Achievement	Sustainability
 1. Insurance Sector Development			
1.1	Revised insurance law and expand definition of insurance products.		
1.2	Updated financial education materials; customers can better select insurance.		
1.3	Microinsurance customer survey allows development of microinsurance products, encouraging increased demand for insurance products.		
1.4**	CEAM establishes a ToT program and disseminates model insurance education materials. ⁴⁶		
 2. Index Insurance Program			
2.1	RFP issued and insurance company selected for piloting index insurance.		
2.2*	Tax exemption granted for insurance products for low-income consumers.		
2.3**	New revenue-neutral tax scheme recommended and adopted. ⁴⁷		
2.4	CBM grants supervisory approval for pilot index insurance program.		
2.5	Viable distribution network established, and vendors understand product. ⁴⁸		
2.6	Distribute financial literacy materials; increased awareness leads to increased demand. ⁴⁹		
2.7	Pilot index insurance program launched. ⁵⁰		
 3. Financial Inclusion M&E System			

⁴⁶ One of three activities was cancelled under this outcome.

⁴⁷ One of two activities was cancelled under this outcome.

⁴⁸ Two of three activities were cancelled under this outcome.

⁴⁹ One of two activities was cancelled under this outcome.

⁵⁰ One of one (all activities) cancelled under this outcome.



Outcomes		Achievement	Sustainability
3.1	CNFI implements web-based data portal and uses standardized data collection.		
3.2	CNFI measures financial services, performs comparative analysis, and the Steering Committee adjusts policies accordingly.		
3.3	CNFI manages data and is the source of economic and financial information for the GOM.		
3.4*	CNFI staff use graphic user interface to import into Power BI and create analytical reports, which are used to inform government decision-making.		
3.5	CNFI and the Steering Committee use and have continuous access to the financial inclusion dashboard.		
3.6	GOM uses electronic payment information to assess the impact of the banking law reform and uses information to promote electronic payments.		

* Updated from original log frame to final log frame.

** New addition in final log frame.

The overarching goal of the Madagascar OTA BFS project was to assist the GOM with creating an enabling environment that increased access to financial services, including insurance products, and to improve the GOM’s capacity to monitor progress in financial inclusion. The project focused on three key components: i) Insurance sector development, ii) Index insurance program, and iii) Financial inclusion M&E system. The OTA BFS project supported the passage of the new 2020 insurance law, helped CNFI to improve its financial education materials, and increased CNFI’s capacity to measure financial inclusion in Madagascar.

However, there were multiple challenges, which started from the planning and initiation of the project. There was a lack of information when the program was designed that had an impact on how the project operated. The project activities were often operating in areas where other major partners — such as GIZ and WB — were leading the activities with OTA playing a contributing role, but it is unclear how much OTA’s contribution impacted the outcomes in many instances.⁵¹ The operating environment was difficult, particularly in the case of component 3, where the absence of data from multiple sources and the various bureaucracies around that issue have prevented many outcomes from moving forward. In the end, all three components were partially achieved. From these project findings, the evaluation team reached the following crosscutting conclusions.

⁵¹ Out of 17 outcomes in the project, 8 were led by other partners.



Technical and Activities

1. **OTA staff and the OTA resident advisor had some initial technical advisory successes, informing SNIM before the official project began, and then supporting the passage of the new insurance law in 2020.** While some of these activities are not detailed in the log frame — because they occurred before the project officially began and before the log frame was established mid-project — they were important successes for CNFI and for the GOM. The passage of the new insurance law in 2020 stands out as one of the most important outcomes of this project, as the new law undertook various necessary changes to improve the enabling environment for insurance in Madagascar and is being used successfully today.
2. **The education materials developed, and the trainings conducted by the OTA resident advisor, were well-received by CNFI; the education materials were less well-received by CEAM.** CNFI respondents reported they were happy with the trainings the OTA resident advisor provided throughout their time in-country. Many respondents noted they were interested primarily in the ability to practice English, and secondarily in the financial content focus. CNFI respondents also reported that the education materials that were developed by OTA are also still a part of the national financial education curriculum they manage. OTA attempted to adjust the CNFI educational materials to meet CEAM’s needs, but CEAM reported they did not fit the needs of its members. The issue appears to be a combination of i) a lack of clear communication and agreement on the expectations of the materials, ii) attempting to use similar materials to meet different purposes, iii) limited timelines to adjust materials once they were drafted, and iv) a lack of socialization and review of the product once it was drafted among the intended audience. While all education objectives under component 1 were not a full success, the trainings and educational materials activities conducted by OTA supported CNFI, the primary counterpart of the project.
3. **The OTA project, as detailed in the log frame, puts an inordinate focus on activities primarily conducted by other institutions outside of the GOM, particularly in the case of component 2.** While OTA’s role is often to support and advocate for activities that are not primarily led by OTA, OTA’s contribution to all outcomes under component 2 is limited or nonexistent. The project’s focus to support activities led by other donors speaks to the disorganization that underlined this project’s design. It was not clear from the beginning what the resident advisor should be doing, so there were not clear guardrails on what scope creep looked like. The COVID-19 pandemic also had an impact on how quickly OTA headquarters (HQ) could pivot. When scope creep did occur, in the case of working on the GIZ project where the OTA resident advisor could contribute very little, OTA HQ did not redirect the resident advisor for a few years, until the project was almost complete.
4. **Component 3 was hindered by the lack of data being shared to CNFI by the five institutions that were meant to share information.** As detailed at length in component 3, the five types of institutions — banks, MFIs, insurance companies, the pension fund,



and the postal service — that are required to report financial inclusion data to CNFI largely did not because they were: i) not legally bound to upload to the portal, ii) unclear on the benefits they can derive from the process, iii) having difficulty using or accessing the portal, or iv) concerned about the data protections of the portal. Without this data, all other outcomes could not be considered fully achieved, as a pre-condition for achievement was having this data.

5. **Five of six outcomes that were fully achieved were led by other institutions — either GIZ or WB.** While a significant portion of OTA’s work is with other institutions, this project is notable for the preponderance of outcomes that were not directly related to OTA’s contribution. Four of the six outcomes that were fully achieved were under component 2, which was largely implemented by GIZ. The other two outcomes that were fully achieved were under component 1, one of which was led by WB (Outcome 1.1, the insurance law revision). This outcome was a vital outcome for the GOM, and was contributed to by many parties; however, WB spearheaded the process of revision, and OTA contributed at various points. The only outcome that was fully achieved and led by OTA was outcome 1.2, developing financial education materials for CNFI.
6. **For component 3, more partnership and engagement with stakeholders was necessary to ensure its success.** The component’s focus was on building a system when it was equally as important to build the buy-in for the system. Ultimately, this component is not fully achieved not because the system was not built, but because the organizations and people who needed to provide the data did not buy in to the system. OTA respondents note that they have integrated learnings from this project into work they are currently doing, committing more time at the beginning and throughout the project to the socialization of the data system, and ensuring all parties are on board with the planned structure. It appears there were missed opportunities for the resident advisor and the intermittent advisor to collaborate on this part of the project. The resident advisor was in-country and did have the ability to support on meetings and socialization for the database.

Project Design and Learning

7. **The initial planning and design of the project was not sufficiently informed by the Malagasy context, and that lack of information at the start affected the project’s ability to effect change throughout the project’s life.** When planning on this project began in 2016, the initial idea came from a meeting in Washington, D.C., with a mid-level CNFI staff person. While there was a documented need, the initial OTA meetings with GOM did not always go smoothly, often because there was limited information on the local context. There was limited information before the project began and before the resident advisor was selected on: i) what the GOM’s needs were on insurance and financial inclusion, ii) what were the roles of the various important institutions in financial inclusion and the politics between them, iii) what were the needs of the potential counterpart institutions, iv) what other international institutions were acting in this space, and what were they doing, and v) what the focus of the resident advisor would be specifically. The partnership was therefore established with CNFI because of that initial request, but there



were some points of the original TOR that could not be addressed with CNFI. Reflecting this lack of information, when the partnership with CNFI was established and the resident advisor was selected, the resident advisor could not serve the technical needs of component 3 of the project, which was one of the main reasons there was an OTA project based out of CNFI. This disconnect at the planning stages affected how the OTA resident advisor was viewed by other actors in Madagascar, because this disconnect between project aims and where the advisor was based was clear to other counterparts in Madagascar. This in turn hampered the advisor's ability to build relationships outside of CNFI and understand what was happening in other institutions. While there were many years to navigate out of this challenging project set-up, it was difficult to do so. It is valuable to note that the project's design was completed under a different OTA HQ management process and structure than what is currently in place at the time of this evaluation in March 2024, and multiple OTA respondents noted some issues in project design and set-up that have been corrected since this project began.

8. **Multiple respondents noted the need for a clearer workplan and project structure.** Respondents noted the need for a clearer TOR and expectations, as well as project activities that spoke more clearly to Malagasy needs. Related to the lack of initial clear planning, there was not a detailed workplan for the OTA project. This led to confusion among counterparts on what was within scope for the OTA project, what type of support they could request, and what the OTA resident advisor was doing. This also made it difficult to provide feedback on what OTA was doing, and how it could better speak to the Malagasy context. Further, the lack of a detailed workplan contributed to confusion at OTA, where it was not always clear to the resident advisor what they should be doing. With a lack of guidance from OTA HQ and a lack of clear structure set down early in the project, it was difficult to communicate challenges and needs on the project to GOM stakeholders. This all contributed to challenges throughout the project, including various GOM representatives not being clear about OTA's role and the lack of ability to shift focus when needed without a clear process to do so.
9. **With the shift of insurance sector oversight and management from MEF to CSBF — which did not occur until 2020 but was suggested by WB in 2016 and was known to OTA staff as a potential future at the start of the project — the resident advisor may have been able to work more effectively on insurance if they had been based within CSBF.** While engagement on this project began with CNFI staff and work that was eventually incorporated into component 3, that component was led by an intermittent advisor. The project's aim outside of component 3 was to create an enabling environment that increases access to financial services, including insurance products. If the focus was financial inclusion in general, CNFI may have been the correct counterpart, but with most of the project outside of component 3 being focused on insurance, and creating an enabling environment, it may have made more sense to have the resident advisor more closely aligned with CSBF. It appears this was not considered early in the project, both because the team was lacking in information about the Malagasy context and because CNFI posed the original request. Since OTA's resident advisor was based out of CNFI, this limited their ability to affect change on the insurance sector after the 2020 law was put in place.



- 10. OTA respondents noted learning from some of the challenges faced by this project and applying those learnings to other projects.** As mentioned in a few places, OTA respondents said that this project had some significant challenges that were identified and were already being integrated into programming for new projects. In particular, OTA documented and learned from component 3, about the work that needs to go into planning and implementing new data systems. One respondent noted that, “[in] Honduras, Liberia ... [and] Jamaica ... [we have been] very intentional on the design at the front end with our counterparts on not only mapping out where all of these data sources are coming from, but a real clear plan ... really, doing that socialization with all of those different stakeholders, not only government but certainly private sector, and doing that at the front end, that was a ... critical piece.”
- 11. Respondents noted that Madagascar continues to require support in developing its insurance and financial sector and the respondents themselves are still interested in working with OTA.** Many respondents noted that despite challenges on this project, they thought OTA could still provide useful services to the Malagasy people. OTA is currently supporting CSBF through multiple efforts, and that support is appreciated by CSBF. CNFI also requested a few additional weeks of the intermittent advisor’s time if the decree enforcing the provision of data to CNFI is adopted to ensure the data collection processes and system were set up well.



VI. RECOMMENDATIONS

Based on the findings and conclusions detailed above, the evaluation team makes the following recommendations. These recommendations are based on successes or challenges identified during this evaluation and include actions OTA may have already undertaken based on learnings from this or other projects.

Technical and Activities

- 1. Prioritize socialization and stakeholder engagement in any activities that involve stakeholders outside of the counterpart organization.** For activities in component 1 and component 3, socialization and stakeholder engagement were significant barriers to achievement of project objectives. The ToT materials that were drafted for CEAM did not meet CEAM's expectations, and there was no time planned to go through multiple iterations and adjust the product to meet the needs of CEAM and its insurance members. Planning more time to engage with CEAM at the beginning to better understand its needs and expectations, and at the end to go through multiple rounds of review and adjustment could have resulted in a product that would be in use today. More expansively on component 3, the focus of OTA's activities was on building the M&E system, not engaging with those who would feed data into the system. These activities were designed in isolation with a lack of constructive engagement and awareness of the serious challenges faced by stakeholders in the Malagasy financial sector. OTA respondents now note the importance of considering stakeholder engagement from the beginning on data system projects, and how they have applied that in other projects. Any project component that requires inputs or significant work from other stakeholders outside of the counterpart organization requires substantial front-end to back-end stakeholder engagement. Front-end engagement should focus on understanding stakeholders' needs on whatever product is being developed, engagement should be continuous throughout product development to ensure any changes are being accounted for and any big decisions include stakeholder engagement, and back-end engagement should focus on product review and adjustment to ensure the product is usable.
- 2. For projects that require data-sharing or other similar inputs, beyond socialization and engagement, explore both a carrot and a stick approach.** This project explored both these options, but there were significant barriers to both approaches. During socialization, communicate requirements and benefits to participation simultaneously. Requirements alone can result in reluctant compliance if the requirements have enforcement mechanisms, but developing processes and benefits to comply is the best way to ensure adherence. Requirements also can take years to progress, as in this case, when they are not the priority or when various bureaucratic processes must be followed. Setting up a system where institutions are incentivized to provide those inputs circumvents the need to pursue those requirements and allows things to progress even when there are barriers to setting up requirements. Incentives can include the sharing of data and reports, additional analysis, and other sharing or services based on the activity.



- 3. When designing technology-based solutions, consider the local context and what other institutions that are implementing similar activities are doing.** Some of the first activities OTA undertook in component 3 were focused on improving the Excel templates, which are still in use today. Since these templates could be used in offline settings and are usable with very little training, they were cognizant of the local context. After that work was completed, CNFI shifted their focus to developing a web-based data portal so that institutions reporting into the CNFI M&E system could do so easily. It is important to note, however, that in 2021 only 20% of Madagascar’s population was using the internet.⁵² While a higher proportion of institutions have internet access, respondents noted that sometimes data would arrive written on a piece of paper with pencil, and CSBF noted that in its own data collection efforts it had to send its own staff to collect data directly from many smaller institutions. This all contributes to a picture that suggests a web-based portal may not have been the right fit right now for small organizations throughout Madagascar. The focus on developing the portal took focus away from developing the process and other elements of the M&E system, and what made sense for the users and for Madagascar. Beyond socialization of this product, there are undoubtedly institutions that regardless of their knowledge of the portal could not upload data to it because of a lack of access to computer, internet, or the skills to use either. Considering the local context and speaking with other stakeholders could have refocused the work on this component.

Project Design and Learning

- 4. Utilize a collaborative and analytical design process that includes engagement with various potential counterparts and other relevant stakeholders in a scoping mission.** This project is reflective of a previous era and approach to project implementation at OTA — the project TOR was signed in 2017 — and the current design process at OTA is more deliberate and rigorous. What can be learned from this project is that more design work to identify potential counterparts, activities, risks, barriers, and local context is vital. A structured scoping mission would help identify project priorities and assess the risks and costs associated with project implementation, risk mitigation measures, and other external partners involved in the country. Engagement with counterparts and other stakeholders in a scoping mission could also build consensus, understanding, and support for the project before it begins. This design process should involve several experts working with a standardized process and tools over a relatively short period to decide on the urgency and sequencing of project components. Utilizing local experts, or at least those who are familiar with the country context, is also vital if possible; in this case, country context was missing from the project design. Once this process is complete, an appropriate profile for the resident advisor and any intermittent advisors can be identified.
- 5. Thoughtfully match resident advisor candidates to project technical needs.** To set up resident advisors for success, project activities and resident advisor skills must be thoughtfully matched. On this project, there was some disconnect between the focus of the

⁵² World Bank, [Open Data](#), “Individuals using the Internet (% of population) – Madagascar.”



original TOR, the log frame when that was developed mid-project, and the expertise of the resident advisor. With the original request focused on the financial inclusion M&E system, CNFI was established as the counterpart. In the original TOR, various activities are detailed, but the only activity that came to fruition in the project and in the log frame was the M&E system (component 3). OTA selected a resident advisor for this project who had financial inclusion expertise, but not the expertise in M&E systems to serve the original request from CNFI. OTA prioritized selecting someone with insurance and microfinance experience, because it was difficult or impossible to find someone with the M&E technical skills for component 3 and the background in insurance and financial inclusion. This resulted in the resident advisor being placed in CNFI, but the resident advisor could not serve CNFI's initial request, and then was hampered from working on broader insurance issues because they were based out of CNFI, which has limited power over insurance. The advisor, therefore, had to therefore look for additional activities to do with CNFI (detailed in component 1) and ended up working on topics that were not detailed in the original TOR or request (components 1 and 2). While in some settings it can be strategic to identify a resident advisor that has more general skills and intermittent advisors with more specific skills, the project activities must be a match for that expertise. This oversight on the part of OTA occurred in part because the activities were not sufficiently detailed at project inception (see previous recommendation on project planning), and it meant that an intermittent advisor was responsible for a large portion of the planned activities, activities that may have been better served with a resident advisor in-country who could have coordinated engagement and provided more M&E design support. Beyond these design issues, the resident advisor had not worked with OTA previously and was not familiar with Madagascar or with Africa. Working in Madagascar can be challenging for those who have been working in the region for decades. Expecting a new advisor working in an unfamiliar environment, without a clear workplan, with a counterpart that did not have significant influence over insurance to identify relevant and important activities was probably not reasonable. Selecting a resident advisor who has some experience in the region, if not the country, and is a good match for clearly defined activities with a counterpart who is closely aligned with the goals of the project, is important so that resident advisors are not set up for failure from the beginning.

6. **Thoughtfully select counterparts based on an understanding of local context, government needs, and project aims.** CNFI as a counterpart was selected because of how OTA was contacted by a CNFI staff person, and the need for an M&E system was front and center in the original request. CNFI was also selected because of the disorganized project design process. CNFI was undoubtedly the correct partner for component 3, which was managed by an intermittent advisor. However, while component 3's overall aims speak to financial inclusion and insurance, all activities in components 1 and 2 focus on insurance. Insurance was regulated by SIF and then CSBF after the new insurance law went into effect. There were two points where it was possible to take a step back on this program and ask where the resident advisor should be housed: i) at project initiation, and ii) when the new insurance law was passed. The lack of understanding the local context and fabric of the financial sector ecosystem contributed to the inability to have a larger



effect on insurance, when the resident advisor was based out of an institution that lost its power to regulate the insurance sector. Basing the resident advisor in either SIF or CSBF and then focusing on creating an enabling environment for insurance would have produced different activities but may have been a better fit for the overall project aims.

7. Review and update project activities at scheduled points throughout implementation.

There were many points during this project where the environment changed that may have posed good opportunities for reflection and adaptation of project activities. Between TOR signing and the first log frame, various activities were dropped, and additional activities were added. This was not done in a structured or clearly documented way, but it did reflect the changing needs of the project and the resources available. Using a structured process to rethink priorities could have shifted the trajectory of the project when insurance management moved to CSBF in 2020, or when work started on the GIZ pilot index insurance project. Utilizing annual or event-based reviews to update the log frame and workplan could be good ways to document adaptation and reaction to changing environments.

8. When designing activities, be strategic about operating in areas where another international institution is leading.

OTA often works in spaces where other institutions are working, and there is no issue with that alone. OTA can often provide significant support and contributions to activities that require different types of skills and perspectives. An embedded resident advisor role is often able to add value where they can advocate and push forward different types of work better than a short-term intermittent advisor can. Outcome 1.1 on this project is a good example of this, where a resident advisor is not leading an activity but can provide some inputs and on-the-ground experience to other partners leading an effort, but who are not based in-country. Component 2 is an example of where this did not work well, where OTA was unable to significantly contribute to the activities and focused more on this project component than was probably prudent for activities to which OTA did not have an important contribution. Understanding the value-add and contribution OTA can make before committing to significant engagements and saying no or deprioritizing activities that do not make sense is valuable. This also speaks to the previous findings, wherein many resident advisors may be unable to make these larger strategic decisions or have OTA experience, and need to be able to rely on guidance from OTA staff about what they should and should not focus on.

9. When drafting outcomes, focus as closely as possible on measurable short- to medium-term outcomes OTA will significantly contribute to.

This log frame and outcomes were created mid-project and do not reflect the current practices of OTA. With that being said, the outcomes of this and future projects should closely focus on the outcomes to which OTA will have a significant contribution. Many outcomes in component 2 are not directly related to the work OTA did. Further, ensuring outcomes are at the level where they can be assessed in the short- and medium-term can help focus project teams and advisors. This can be achieved by including long-term and impact-level outcomes in a separate box in the log frames to ensure the pathway from short-term outcomes to impact is clear and assessments, monitoring, and evaluations can focus on the correct level of outcome.



The Resident Advisor's Role

- 10. Once a practical, achievable, and detailed TOR for a resident advisor is developed, it should be communicated with all important government stakeholders — not just with direct counterparts, in this case CNFI.** Multiple respondents outside of CNFI noted they were not clear what this OTA project's focus was. Notably, CSBF is a very important actor in the insurance sector, and it reported it did not have a clear understanding of what this OTA project was doing in-country. In this case, there were two issues with communicating what OTA was doing with this project: i) the TOR was short and vague from the beginning, and that was felt by GOM stakeholders, and ii) when the insurance environment changed, rethinking OTA's goals for this project and intentionally communicating them to CSBF and others may have helped engagement in the second part of the project. The evaluation team found when the project's activities and focus were changed, they were not clearly communicated to stakeholders. While adaptation within a structured process is necessary for a project, these changes must also be disclosed and discussed with counterparts and other key stakeholders. Without this clear and socialized TOR, engagement with other stakeholders is very difficult.
- 11. Support resident advisors and provide guidance on scope creep, focus of activities, technical deliverables, and other large decision points.** While this is standard practice at OTA, on this project there were some significant issues that an engaged and thoughtful manager may have been able to catch and redirect earlier. Issues included the project's focus on the GIZ index insurance program; the missing socialization and engagement on component 3; and various smaller issues, such as training SIF on insurance regulation when insurance regulation was being passed to CSBF within the year. OTA should understand that resident advisors often cannot take the strategic "20,000-foot" view of their own activities and need to rely on OTA staff to guide them, even on decisions the advisors themselves do not identify as a problem. While it is easy for a retrospective evaluation to identify "what should have been done," the evaluation team understands that is not always possible during implementation. When OTA management on this project changed, many of the issues outlined above were identified as issues during implementation, and solutions were attempted. Unfortunately, it was too far into the project for many of these solutions to be successful but identifying them was possible once OTA staff were providing the support that was needed on the project. This project demonstrates that continuous OTA HQ support and guidance on projects is vital for their success, and if it is absent in the first half of the project, it is very difficult to guide the project out of issues created in the first half of the project.



VII. ANNEXES

Annex A: OTA Project Document List

Annex B: Context Document List

Annex C: Evaluation Team Qualifications

Annex D: Interview Instruments

Annex E: OTA Response



Annex A: OTA Project Document List

LIST OF PROJECT DOCUMENTS

OTA provided the evaluation team with a variety of documents about the Madagascar OTA BFS project. The following list details the project documentation received, organized by category.

Table A-1: List of Project Documents.

Type	No. of Docs.	Comments
Advisor Monthly and Trip Reports	62	Field trip reports of OTA advisors; monthly advisor reports on activities conducted; a narrative on progress, persons met, and issues discussed; and other notable events
Redacted	9	Intermittent advisor
Redacted	6	Senior advisor
Redacted	47	Resident advisor
Other Documents	61	
End of Project Report	1	Summative project report
End of Tour Report	1	End of tour project report from resident advisor
Evaluation Coversheet	1	Overview of the project and proposed EQs produced by OTA project teams
Log Frame	1	Describes the logistical framework by component, expected outcomes, and activities
Letters and Memos	8	Letters and memos between OTA and primary counterpart
Project Deliverables	28	Project deliverables from resident and intermittent advisors
Project Proposals and Narratives	2	Funding requests containing more detailed project descriptions
Project Reviews and Assessments	12	Conducted internally by OTA to measure the project's traction and its impact
Terms of Reference	2	The TOR signed between OTA and the MOF (in French and English)
Workplans	5	Yearly workplans
Total	123	



Annex B: Context Document List

Access to Insurance Initiative. “Loi n 2020 – 005 Sur Les Assurances.”
<https://a2ii.org/sites/default/files/2020-11/Loi%20n%202020%20-%20005%20assurances%20Madagascar.pdf>.

Access to Insurance Initiative. “Madagascar: the new Insurance Law for a healthy and inclusive financial services sector,” 2020. <https://a2ii.org/en/news/a2ii-newsflash-madagascar-the-new-insurance-law-for-a-healthy-and-inclusive-financial-services-sector>.

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. “Concept Note: Adaptation of agricultural value chains to climate change – PrAda II+,” February 6, 2023. https://www.greenclimate.fund/sites/default/files/document/27920-adaptation-agricultural-value-chains-climate-change-prada-ii_0.pdf.

Foreign Aid and Transparency and Accountability Act of 2016, Public Law 114–191.

OTA BFS Madagascar Project Monthly Report, May 2021.

OTA BFS Madagascar Project Monthly Report, September 2020.

World Bank. “Individuals using the Internet (% of population) – Madagascar.” Accessed April 2024. <https://data.worldbank.org/indicator/IT.NET.USER.ZS?locations=MG>.

World Bank. “World Development Indicators Database,” 2023. https://databankfiles.worldbank.org/public/ddpext_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global_POVEQ_MDG.pdf.



Annex C: Evaluation Team Qualifications

Tessa Ahner-McHaffie is a senior MEL specialist at Bixal. She has 10 years of experience in evaluation and research, managing and providing technical support for M&E and research in various sectors across Africa, notably in Kenya, Rwanda, Uganda, Ethiopia, Madagascar, Nigeria, and Tanzania. Previous roles have included senior research associate at Laterite based out of Kenya, where she managed a research project in East and West Africa; and nutrition and health advisor at a local water, sanitation, and hygiene organization in Rwanda. Tessa has a master's degree in public health and a bachelor's degree in public health, both from The George Washington University.

Shamim Diouman is a senior financial services expert for GIZ, IMF, Toronto Centre, and the WB with over 25 years of work experience in the banking and financial sectors in Europe, Southeast Asia, and Africa. He has led several projects on consumer protection and market conduct; international financial reporting standards; and Basel regulations in banks and central banks. He has worked on various regulatory reforms projects and designed and delivered workshops to around 50 central banks and banks. He has worked at the United Kingdom banking regulator now known as the Prudential Regulatory Authority and was part of the team that established the European Banking Authority. He has assisted banks in selecting and fully implementing various transformation projects involving Oracle and Temenos core banking system. Shamim is a Fellow Chartered Accountant and holds a double master's degree in economics from a United Kingdom and French university.

Daniel H. Rakotoarison has more than ten years of experience in the international development sector. He has held many senior management roles throughout his career, including consortium management for emergency response projects, education reform, and social protection. His expertise is on project M&E and strategic learning. He has experience with donors such as USAID, European Union, United Nations International Children's Emergency Fund, Agence Française de Développement, French Cooperation, the U.S. Department of State, philanthropic organizations, and private sector donors. Currently, Daniel is a research fellow at the London School of Economics International Inequality Institute through the Atlantic Fellowship Program. He is also a Mandela Washington Fellowship alumnus.

Natasha Baranow is a project manager of international evaluations at Bixal. She has seven years of specialized experience conducting social science research, managing research and evaluation projects at academic institutions and nonprofits, and supporting technical program implementation for USAID and other large donors in West Africa and Southeast Asia. Natasha has led research projects varying in scale from national-level consumer surveys in the United States to ethnographic studies of local-level socioecological systems in the Hindu Kush Himalayan region. She holds a master's degree from the University of Oxford School of Geography and the Environment, and a bachelor's degree from Williams College.



Michael Tatone is the lead M&E SME for the OTA blanket purchase agreement contract at Bixal. He has over 13 years of technical experience in evaluation and research and managing evaluations and impact studies in public financial management and conflict and violence in Latin America, the United States, and Africa. Previous roles have included research manager at the University of Chicago and various project manager and researcher roles in academia and non-governmental organizations. He has a master's degree in political science from Universidad de Los Andes in Bogota, Colombia, and a bachelor's degree in political science and Spanish from the University of Wisconsin.



Annex D: Interview Instruments

QUALITATIVE INTERVIEW GUIDE: ADVISORS

Updated: January 22, 2024

English

Interview Date	
Interviewer Name	
Notetaker Name	
Unique ID	

Introduction

The evaluation of the Office of Technical Assistance (OTA)/Madagascar’s project will serve two purposes:

- First, to ensure OTA’s compliance with the Foreign Aid Transparency and Accountability Act of 2016, which includes requirements to evaluate the objectives, outcomes, and impacts of OTA’s projects.
- Second, to provide OTA with in-depth, third-party, retrospective insights of its banking and financial services (BFS) project activities in Madagascar. The evaluation will focus on key questions related to its contributions to the BFS sector through its technical assistance to the Government of Madagascar (GOM).

Throughout the interview, the team will focus on the three OTA project components and the intended outcomes for each one:

1. Insurance Sector Development,
2. Index Insurance Program, and
3. Financial Inclusion Monitoring and Evaluation (M&E) System.

Informed Consent

During the interview, we will be asking you a series of questions on the topic of OTA’s activities in the insurance sector in Madagascar. Your participation in this discussion is voluntary and you are free to discontinue with the discussion at any point or can ask us for further details.

We expect the discussion to take 60–90 minutes. You can choose to answer all questions or skip any questions you do not want to answer.

We plan to share our findings in publications or presentations. You will not be identified by name in these publications or presentations. If at any point you share any confidential information or unofficial information that we must treat with discretion, please let us know. If you have understood these points and consent to continue the discussion, please give us a verbal agreement stating, “Yes, I consent to be interviewed.”



For our own record-keeping purposes, we would also like to record this interview. We will use the recording to create a clear transcript, and we will also take notes during the interview. This recording will be deleted after it is used, and your name will not be tied to the notes or the recording. If you agree, please give a verbal agreement, “Yes, I consent to be recorded.”

Interview Questions

Introduction

Thank you for your consent to be interviewed. We will start with asking you some general questions about OTA in Madagascar.

1. Could you describe your role at OTA and with the Madagascar BFS project?
2. Did OTA sign any memorandum of understanding with any relevant stakeholders, such as Central Bank of Madagascar (CBM), the Commission for the Supervision of Banking and Finance (*Commission de Supervision Bancaire et Financière*—CSBF), or the Malagasy National Coordination of Financial Inclusion (*La Coordination Nationale de la Finance Inclusive*—CNFI)?
 - a) If yes, which one? If not, why not?
3. Who were the key counterparts and were there any other regulators or institutions OTA worked closely with, such as CSBF or CBM?

Component 1: Insurance Sector Development

Thank you for those answers. Next, we will talk about activities related to insurance sector development.

4. Can you talk about how the insurance law was revised to allow for the sale and administration of microinsurance products, and OTA’s role in that process?
 - a) Did OTA provide comments on existing drafts or draft parts of the law?
 - b) What parts of the law did OTA draft?
5. What financial training and education materials to inform insurance customers did OTA support?
 - a) Was any Training of Trainers on microinsurance completed?
 - b) Did OTA prepare training materials?
 - c) Did OTA deliver or host a training? (If yes, how many training sessions and how many participants were trained?)
6. Was a customer survey completed (with or without the support of the OTA advisor)?
 - a) What did the process for developing that survey look like?
 - b) How were the survey results used?
7. Did this work lead to improved access to insurance for Malagasy consumers?
 - a) If there was improved access, how was that improvement measured or observed?



8. Has OTA's work with the GOM and CNFI been sustained?
9. What outcomes would you say were not achieved? Why?
10. What were some challenges you encountered during the insurance sector development work, and were these challenges addressed?
 - a) How would you describe counterparts' buy-in for reforms suggested by OTA?

Component 2: Index Insurance Program

Thank you for your thoughtful responses. Next, we will talk about the index insurance program.

11. Can you talk about how the index insurance program work was established and OTA's role in setting up the index insurance program?
 - a) How were the tax exemptions or the tax scheme set up?
 - b) Can you detail the engagement with the CBM or CSBF to get the supervisory approval for the pilot index insurance program?
 - c) What was done to understand the market for these products before they were offered to consumers? Were there any challenges or barriers in the market?
12. How were the insurance companies engaged to set up the distribution network for the index insurance product?
 - a) What were the primary challenges in setting up the distribution network?
 - b) What was OTA's role in this part of the program?
 - c) Was a request for proposal prepared and used?
13. What was OTA's contribution to any financial literacy materials distributed through the distribution network?
 - a) Were consumers more informed about index insurance through these networks?
14. Did the OTA project achieve the aim of establishing an index insurance program? Why or why not?
15. Has OTA's initial work in the index insurance program been sustained?
16. What outcomes would you say were not achieved? Why?
17. What were some challenges you encountered during the index insurance work, and were these challenges addressed?
18. Do you think with the activities OTA has undertaken through the life of the project, CNFI and other stakeholders are set up to increase index insurance use in Madagascar?

Component 3: Financial Inclusion M&E System

Thank you for your thoughtful responses. Next, we will talk about the financial inclusion M&E system work.



19. Can you tell me how OTA supported the web-based data portal for CNFI, and if they have been able to receive financial inclusion data?
 - a) How does CNFI use this data?
 - b) Has CNFI been able to manage and update the data in an automated database? If yes, how did that work? If no, why were they unable to?
20. Does CNFI measure access to and usage of financial services?
 - a) How was OTA involved in setting that up?
 - b) Has that been sustained up to the present?
 - c) Does the National Financial Inclusion Strategy of Madagascar Steering Committee use this data?
 - d) Did OTA conduct an analysis about what data CNFI is already collecting or not collecting?
21. Did OTA engage with insurers and other firms?
 - a) Did they discuss whether they would be willing to submit data to CNFI if the technology was available?
 - b) Did they discuss what data they were already preparing and submitting to the regulators?
22. Does CNFI create reports on financial inclusion or retail electronic payments for use within the government?
 - a) What was OTA's role in setting this process up?
 - b) Are these reports used by decision-makers in the Malagasy government?
23. Do decision-makers use the financial inclusion dashboard?
 - a) What was OTA's role in setting up this dashboard?
24. Are CNFI and the Steering Committee using reports on retail electronic payments to assess the impact of the recent banking law reforms on mobile banking?
 - a) Are these reports serving the government's needs?
25. Has OTA's work on the financial inclusion M&E been sustained?
26. What outcomes would you say were not achieved? Why?
27. What were some challenges you encountered during the financial inclusion M&E work, and were these challenges addressed?
28. Do you think with the activities OTA has undertaken to improve the financial inclusion M&E system, CNFI and other stakeholders are set up to monitor and evaluate financial inclusion?

Recommendations and Closing



Thank you for your thoughtful responses. Finally, we will talk about the project more generally.

29. What recommendations or additional thoughts do you have for OTA projects in Madagascar in the future?



QUALITATIVE INTERVIEW GUIDE: COUNTERPARTS

Updated: January 22, 2024

English

Interview Date	
Interviewer Name	
Notetaker Name	
Unique ID	

Introduction

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Throughout the interview, the team will focus on the three OTA project components and the intended outcomes for each one:

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3. Financial Inclusion Monitoring and Evaluation (M&E) System.

Informed Consent

During the interview, we will be asking you a series of questions on the topic of OTA’s activities in the insurance sector in Madagascar. Your participation in this discussion is voluntary and you are free to discontinue with the discussion at any point or can ask us for further details.

We expect the discussion to take 60–90 minutes. You can choose to answer all questions or skip any questions you do not want to answer.

We plan to share our findings in publications or presentations. You will not be identified by name in these publications or presentations. If at any point you share any confidential information or unofficial information that we must treat with discretion, please let us know. If you have understood these points and consent to continue the discussion, please give us a verbal agreement stating, “Yes, I consent to be interviewed.”

For our own record-keeping purposes, we would also like to record this interview. We will use the recording to create a clear transcript, and we will also take notes during the interview. This recording will be deleted after it is used, and your name will not be tied to



the notes or the recording. If you agree, please give a verbal agreement, “Yes, I consent to be recorded.”

Interview Questions

Introduction

Thank you for your consent to be interviewed. We will start with asking you some general questions about OTA in Madagascar.

1. Could you describe your current role and your engagement with the OTA Madagascar financial services/insurance project?
2. Did you have direct engagement with an OTA advisor or advisors? If so, in which capacity?

Component 1: Insurance Sector Development

Thank you for those answers. Next, we will talk about activities related to insurance sector development.

3. Can you talk about how the insurance law was revised to allow for the sale and administration of microinsurance products, and OTA’s role in that process?
 - a) Did OTA provide comments on existing drafts or draft parts of the law?
4. What financial training and education materials to inform insurance customers did OTA support?
 - a) Was any Training of Trainers on microinsurance completed?
 - b) Did OTA prepare training materials?
 - c) Did OTA deliver or host a training? (If yes, how many training sessions and how many participants were trained?)
5. Was a customer survey completed (with or without the support of the OTA advisor)?
 - a) What did the process for developing that survey look like?
 - b) How were the survey results used?
6. Did this work lead to improved access to insurance for Malagasy consumers?
 - a) If there was improved access, how was that improvement measured or observed?
7. Has OTA’s work with the GOM and the Malagasy National Coordination of Financial Inclusion (*La Coordination Nationale de la Finance Inclusive*—CNFI) been sustained?
 - a) Were there any other regulators or institutions OTA worked closely with, such as Commission for the Supervision of Banking and Finance (*Commission de Supervision Bancaire et Financière*—CSBF) or Central Bank of Madagascar (CBM)?
8. What outcomes would you say were not achieved? Why?



9. What were some challenges you encountered during the insurance sector development work, and were these challenges addressed?

a) How would you describe counterparts' buy-in for reforms suggested by OTA?

Component 2: Index Insurance Program

Thank you for your thoughtful responses. Next, we will talk about the index insurance program.

10. Can you talk about how the index insurance program work was established and OTA's role in setting up the index insurance program?

a) How were the tax exemptions or the tax scheme set up?

b) Can you detail the engagement with the CBM or CSBF to get the supervisory approval for the pilot index insurance program?

c) What was done to understand the market for these products before they were offered to consumers? Were there any challenges or barriers in the market?

11. How were the insurance companies engaged to set up the distribution network for the index insurance product?

a) What were the primary challenges in setting up the distribution network?

b) What was OTA's role in this part of the program?

c) Was a request for proposal prepared and used?

12. What was OTA's contribution to any financial literacy materials distributed through the distribution network?

a) Were consumers more informed about index insurance through these networks?

13. Did the OTA project achieve the aim of establishing an index insurance program? Why or why not?

14. Has OTA's initial work in the index insurance program been sustained?

15. What outcomes would you say were not achieved? Why?

16. What were some challenges you encountered during the index insurance work, and were these challenges addressed?

17. Do you think with the activities OTA has undertaken through the life of the project, CNFI and other stakeholders are set up to increase index insurance use in Madagascar?

Component 3: Financial Inclusion M&E System

Thank you for your thoughtful responses. Next, we will talk about the financial inclusion M&E system work.

18. Can you tell me how OTA supported the web-based data portal for CNFI, and if they have been able to receive financial inclusion data?

a) How does CNFI use this data?



- b) Has CNFI been able to manage and update the data in an automated database? If yes, how did that work? If no, why were they unable to?
19. Does CNFI measure access to and usage of financial services?
- a) How was OTA involved in setting that up?
 - b) Has that been sustained up to the present?
 - c) Does the National Financial Inclusion Strategy of Madagascar Steering Committee use this data?
 - d) Did OTA conduct an analysis about what data CNFI is already collecting or not collecting?
20. Did OTA engage with insurers and other firms?
- a) Did they discuss whether they would be willing to submit data to CNFI if the technology was available?
 - b) Did they discuss what data they were already preparing and submitting to the regulators?
21. Does CNFI create reports on financial inclusion or retail electronic payments for use within the government?
- a) What was OTA's role in setting this process up?
 - b) Are these reports used by decision-makers in the Malagasy government?
22. Do decision-makers use the financial inclusion dashboard?
- a) What was OTA's role in setting up this dashboard?
23. Are CNFI and the Steering Committee using reports on retail electronic payments to assess the impact of the recent banking law reforms on mobile banking?
- a) Are these reports serving the government's needs?
24. Has OTA's work on the financial inclusion M&E been sustained?
25. What outcomes would you say were not achieved? Why?
26. What were some challenges you encountered during the financial inclusion M&E work, and were these challenges addressed?
27. Do you think with the activities OTA has undertaken to improve the financial inclusion M&E system, CNFI and other stakeholders are set up to monitor and evaluate financial inclusion?

Recommendations and Closing

Thank you for your thoughtful responses. Finally, we will talk about the project more generally.

- 28. What recommendations or additional thoughts do you have for OTA projects in Madagascar in the future?



Annex E: OTA Response

Office of Technical Assistance Response

Madagascar: Banking and Financial Services – Financial Inclusion Project

October 11, 2024

The Office of Technical Assistance (OTA) welcomes the opportunity to provide comments on the Bixal Solutions (Bixal) evaluation, “Office of Technical Assistance: Banking and Financial Services (BFS) Project in Madagascar,” dated May 17, 2024.

The evaluation’s findings provide helpful insights into OTA’s work with the Ministry of Economy and Finance (MEF) and the National Coordination for Financial Inclusion (CNFI). Between 2018 and 2023, OTA provided technical assistance with one resident advisor and one intermittent advisor. Except for a six-month, COVID-related gap in 2020, the resident advisor provided continuous support through the first half of 2022. An intermittent advisor then provided support until project closure in 2023.

As the evaluation notes, project achievements were mixed. Successes included improvements to the new Malagasy insurance legislation that advocated for consumer rights, the integration of OTA-led, insurance sector educational materials, the successful launch of an index insurance pilot in southern Madagascar, and the launch of a national financial inclusion database. The web-based financial inclusion portal, in particular, helped consolidate data from three quarters of microfinance institutions serving low-income Malagasies. Setbacks included a stalled effort to launch a microinsurance customer survey and disappointing uptake by all financial sector actors in providing data to the web-based portal.

These results can be explained in part by the prevailing circumstances. In addition to the global pandemic’s outsized impacts on work and life, passage of a decree requiring compulsory data to be reported by all financial sector actors had not been fully executed by the Council of Ministers at the close of the project. This is likely due to a backlog of agreements that the Council is required to review and approve. Further exacerbating implementation was low capacity of CNFI staff that contributed to these mixed results. In addition, program design expectations were unrealistic, particularly with respect to counterpart implementation capacity and the willingness of financial institutions to report data in the absence of compulsory regulations.

OTA welcomes the findings and their corresponding recommendations. Actions that OTA is taking regarding the specific recommendations can be summarized as follows:

Recommendations 1 and 4 relate to the need for a more collaborative approach to planning projects and communicating expectations. While OTA did meet with rural stakeholders to socialize developments, it did so later in the project. OTA has since updated and commenced implementation of an improved design approach that begins with data



mapping and socialization of monitoring systems prior to the design of any platform. Separately, OTA now takes a holistic approach in the design of all projects, including development of annual work plans with counterparts and external partners. This helps achieve alignment of expectations, roles, responsibilities, and timelines.

Recommendations 2 and 3 relate to developing context-specific interventions and solutions. OTA recognizes the importance of tailoring its support to local circumstances and working with counterparts to identify solutions that are appropriate to the local context and aligned with counterparts' requests. In this project, OTA worked with the GoM to develop a decree compelling all financial actors to report their financial inclusion data to CNFI. OTA also advised the GoM on different approaches to data collection and, after the GoM opted to employ a web-based tool, took the additional step of developing an offline spreadsheet tool to supplement data collection. In more recent projects, and consistent with best practices, OTA has also employed the use of context-appropriate positive incentives – such as providing market reports to enable contributing financial service providers to monitor trends and benchmarks and enhancing transparency and visibility of reporting institutions, including to investors/donors, thereby increasing their opportunity to raise funds and ultimately expand inclusive financial services – to encourage participation in the development of financial inclusion monitoring systems.

Recommendations 5 to 8 and 10 to 11 relate to operationalizing the project, ensuring “right fit” residents, and effective coordination with external actors and donors. OTA strives to ensure that resident advisors' competencies and cultural adaptability align with that of its counterparts. In subsequent recruitments, OTA has taken a more deliberate approach in targeting these competencies and ability to adapt. Moreover, OTA supports its resident advisors through site visits from program senior advisors and regular “check-in” calls to help ensure that projects remain within scope and progressing on time. Regarding coordination with other assistance providers, and as part of OTA's updated assessment process, OTA takes care to avoid direct technical overlap with other donors.

Recommendation 9 relates to effective design of anticipated project outcomes. OTA's current monitoring and evaluation guidelines require short- and long-term outcome statements. OTA appreciates the suggestion to develop outcomes that can be realistically achieved in the short- and medium- terms and separating these outcomes from the long-term and impact-level outcomes. Moreover, OTA recognizes the importance of developing outcomes to which our program significantly contributes and makes every effort to do so in our project design process.

OTA appreciates the effort that Bixal devoted to the preparation of this evaluation. Its findings and key recommendations will help inform future programs and reinforce the efforts that OTA has already made to improve project design.

