

**Cape Verde**

**2005-2010 Compact**

**Monitoring and Evaluation Plan**

**Version III: October 11, 2010**

**Approved M&E Plans:**

**Version I: April 14, 2006**

**Version II: December 20, 2008**

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## ACRONYMS

|        |                                                                  |                                                                     |
|--------|------------------------------------------------------------------|---------------------------------------------------------------------|
| DGASP  | Direcção Geral de Agricultura, Silvicultura, Pecuária            | General Directorate of Agriculture, Forestry and Livestock          |
| DGISB  | Direcção Geral de Infra-estrutura e Saneamento Básico            | General Directorate of Infrastructure and Basic Sanitation          |
| DGPOG  | Direcção Geral de Planeamento, Orçamento e Gestão                | General Directorate of Planning, Budget and Management              |
| DSSA   | Direcção dos Serviços de Segurança Alimentar                     | Directorate of Food Security Services                               |
| ENAPOR | Empresa Nacional de Administração dos Portos                     | National Ports Authority                                            |
| ERR    | Taxa Económica de Retorno                                        | Economic Rate of Return                                             |
| GDP    | Produto Interno Bruto                                            | Gross Domestic Product                                              |
| GOCV   | Governo de Cabo Verde                                            | Government of Cape Verde                                            |
| IFC    | Sociedade Financeira Internacional                               | International Financial Corporation                                 |
| INE    | Instituto Nacional de Estatística                                | National Institute of Statistics                                    |
| INGRH  | Instituto Nacional de Gestão dos Recursos Hídricos               | National Institute of Water Management                              |
| M&E    | Seguimento e Avaliação                                           | Monitoring and Evaluation                                           |
| MADRRM | Ministério do Ambiente Desenvolvimento Rural e Recursos Marinhos | Ministry of the Environment, Rural Development and Marine Resources |
| MCA    | Conta dos Desafios do Milénio                                    | Millennium Challenge Account                                        |
| MCA-CV | Conta dos Desafios do Milénio – Cabo Verde                       | Millennium Challenge Account – Cape Verde                           |
| MCC    | Millennium Challenge Corporation                                 | Millennium Challenge Corporation                                    |
| MECC   | Ministério da Economia, Crescimento e Competitividade            | Ministry of Economy Growth and Competitiveness                      |
| MFI's  | Instituições Financeiras de micro-crédito                        | Micro-Finance Institutions                                          |
| MIS    | Sistema de Informação para a Gestão                              | Management Information System                                       |
| MIT    | Ministério das Infra-estruturas e Transportes                    | Ministry of Infrastructure and Transport                            |
| MTRR   | Relatório de revisão a Meio Percurso                             | Mid-Term Review Report                                              |
| NGO's  | Organização Não Governamental                                    | Non-Government Organization                                         |
| NOSI   | Núcleo Operacional da Sociedade de Informação                    | Government Agency for Information Society                           |
| PCC    | Projecto de Crescimento e Competitividade                        | Growth and Competitiveness Project                                  |
| PCR    | Relatório Final do Programa                                      | Program Completion Report                                           |
| PIUGC  | Unidade de Coordenação do Projecto Crescimento e Competitividade | Growth and Competitiveness Project Coordination Unit                |
| NR     | Relatório Narrativo                                              | Narrative Report                                                    |
| QTR    | Trimestre                                                        | Quarter                                                             |
| RSSP   | Projecto de Apoio ao Sector de Estradas do Banco Mundial         | World Bank Road Sector Support Project                              |
| SIGOF  | Sistema de Informação para a Gestão Orçamental e Financeira      | Integrated Budget and Financial Management System                   |

## **1. Overview**

On July 4, 2005, The United States of America, acting through the Millennium Challenge Corporation (MCC), and the Government of the Republic of Cape Verde signed a bi-lateral agreement for economic development assistance (Compact). Annex III of the Compact provided a description of the Monitoring and Evaluation (M&E) Plan for the Millennium Challenge Account (MCA) Program.

A focus on results is a founding principle and cornerstone of MCC assistance. Monitoring and Evaluation (M&E) is essential for a results-based approach to program management. M&E was a key component of program design and remains incorporated into all facets of the program cycle through program close-out and post compact impact evaluation activities. The Compact's M&E Plan is a more detailed extension of Annex III of the Compact.

The M&E Plan serves the following functions:

- Explains in detail how MCA-Cape Verde (MCA-CV) will monitor the various projects to determine whether they are achieving their intended results and measure their larger impacts over time through evaluations.
- Serves as a guide for program implementation and management, so that MCA-CV, including Steering Committee members and Management Unit staff, Stakeholder Committee members, program implementers, beneficiaries, and other stakeholders understand the objectives and targets to be achieved, and are aware of the progress made towards those objectives and targets during implementation.
- Identifies the M&E responsibilities of the MCA-CV Management Unit.
- Establishes a data collection, analysis and reporting process by which MCA-CV, Implementing Entities and MCC can be alerted to any problems in program implementation and provides the basis for making program adjustments
- Outlines M&E requirements that MCA-CV must meet for MCC to approve disbursement requests.

The M&E Plan is considered a binding document, and failure to comply with its stipulations could result in suspension of disbursements. It may be modified or amended as necessary only with the approval of MCC and to the extent that it is consistent with the requirements of the Compact Agreement and other relevant supplemental legal documents.

## 2. Summary of the Program and Objectives

Since gaining its independence from Portugal in 1975, Cape Verde has achieved impressive socio-economic gains in such areas as literacy rates, educational attainment, life expectancy, and per-capita income. However, despite these achievements, Cape Verde continues to have high levels of poverty and unemployment. The persistence of poverty can be partly attributed to the fact that Cape Verde is challenged by a lack of obvious economic growth opportunities and a scarcity of resources, particularly water. Nevertheless, Cape Verde's strong record of democratic governance, stability, transparency, and lack of corruption has allowed the country to maintain large inflows of foreign assistance and remittances from émigrés. Given that foreign assistance and remittances are likely to decline in the future, Cape Verde has designed an economic development strategy to move the country from an aid-dependency model of development to one of self-sustaining private-sector led growth<sup>1</sup>. The Cape Verde MCA Program was designed to support Cape Verde's development strategy.

The overall goal of the Cape Verde MCA Program is to *reduce poverty and increase economic growth*. The Program consists of three complementary Projects.

1. The **Watershed Management and Agriculture Support Project** is designed to increase agricultural productivity in three specific watershed areas in the islands of Santo Antão, Fogo, and São Nicolau in the short to medium term through the following activities:

- Watershed Management – development of community water management plans, construction of dikes, reservoirs and water distribution systems;
- Agriculture Development – training, demonstration plots, inspection centers, packaging warehouses, agricultural research
- Credit – credit for drip irrigation and other agriculture related business activities

2. The **Infrastructure Project** is designed to increase integration of internal markets and reduce transportation costs in the medium to long term through the following activities:

- Roads and Bridges – rehabilitation of 3 roads<sup>2</sup> on the island of Santiago and 4 bridges on Santo Antão (in coordination with a World Bank Roads Project)
- Port of Praia – increase available space for cargo operations and develop high-efficiency terminals

3. The **Private Sector Development Project** is designed to develop the private sector in the long term through the following activities:

- Financial Sector Reform – support the expansion of deposit-taking powers to micro-finance institutions (MFIs) and expand access to government securities.

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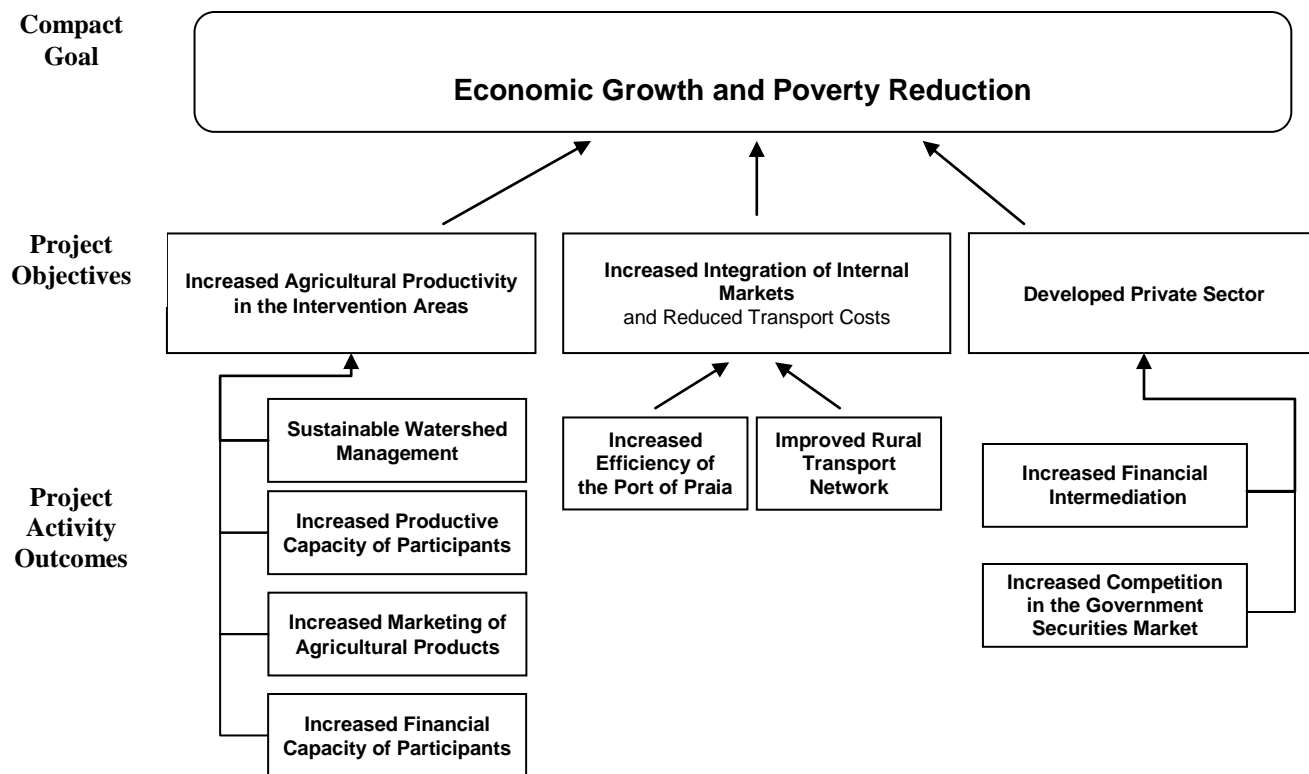
<sup>1</sup> Transformation Strategy - 2003

<sup>2</sup> The original Compact included 5 roads on the Island of Santiago. Two roads were eliminated due to increased costs associated with revised final designs, escalating construction costs and fluctuation in currency exchange rates.

### *Expected Impact*

The Cape Verde Compact conducts monitoring and evaluation analysis at five levels of the Program logical framework, including Compact Goal, Project Objectives, Activity Outcomes, Activity Outputs, and Process Milestones.

Cape Verde expects to achieve specific results on five levels. Those results with their appropriate level designations are represented below.



**Figure 1 – Compact Results Chain**

The achievement of these results will be measured through specific indicators discussed under the Monitoring Component. The Compact Goal Indicator (increase in annual income) is estimated by aggregating the expected benefits of the three projects (see the Compact Goal Indicator table on the following page)<sup>3</sup>. This is indicative of the overall impact expected from all Projects and Activities. While these benefits can be estimated, it is difficult to attribute changes in income specifically to interventions undertaken by the Cape Verde MCA Program. This is because other factors, unrelated to the Program, may affect income changes. Therefore, it is not a requirement that MCA-CV monitor and report on the Compact Goal Indicator throughout the life

<sup>3</sup> These estimates come directly from the benefit streams used in the economic rate of return (ERR) analysis discussed in Section 5: Economic Analysis, Assumptions and Risks.

of the Compact. However, these estimated benefits should be used to inform impact evaluations (see Section 5: Evaluation Component for more details).

**Table 1 - Compact Goal**

| Compact Goal:<br>Economic growth and poverty reduction in Cape Verde                           |                                                                                                                                                                             |        |         |
|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|---------|
|                                                                                                | Definition of Benefits                                                                                                                                                      | Year 5 | Year 10 |
| <b>Compact Goal Indicator:</b>                                                                 |                                                                                                                                                                             |        |         |
| <b>Increase in annual income (US\$ millions)<sup>4</sup></b>                                   |                                                                                                                                                                             | \$6.9  | \$27.1  |
| Measured by:                                                                                   |                                                                                                                                                                             |        |         |
| Increase in income from the Watershed Management and Agricultural Support Project <sup>‡</sup> | Increase in farm profits and farm wages                                                                                                                                     | 0.7    | 2.0     |
| Increase in income from the Roads and Bridges Activity                                         | Savings on vehicle operating costs from the roads upgraded with asphalt plus the increase in income from the construction of the bridges.                                   | 1.9    | 2.9     |
| Increase in income from the Port Activity*                                                     | Relieving constraints on handling capacity, productivity, and ultimately port traffic. Increase in government revenue as a result of increasing the efficiency of the Port. | 4.1    | 21.9    |
| Increase in income from the Financial Sector Reform Activity                                   | Estimated contribution to economic growth calculated from the expected elasticity of growth with respect to the ratio of liquid liabilities to GDP.                         | 0.2    | 0.3     |

<sup>‡</sup> The income increases only reflect increased income from horticulture production through drip irrigation activity. They do not include other likely project related income streams from planned post-harvest centers, technical assistance, and/or other agriculture development services.

\* MCC will only be funding Phase I of the Port of Praia project. To estimate the increase in income from the Phase I activity, a percentage of the benefits that would accrue from completion of both Phases I and II was taken. It was estimated that Phase I would contribute 30 percent of the total project's non-GDP based benefits as calculated in the BCEOM market study.

## ***Program Beneficiaries***

### **(1) Watershed Management and Agriculture Support Project**

This Project will serve beneficiaries on the islands of Santo Antão, São Nicolau, and Fogo, with services that range from water management and soil conservation, agriculture development and marketing services, and financial services. Beneficiaries include actors along the supply chain, including farmers, farm laborers, micro and small-sized agribusinesses (mainly owned and operated by women), providers and users of transportation and distribution services, and farmer based organizations. Even though the number of direct beneficiaries of drip irrigation activities is small (approximately 1,685), a total of 8,591 farm households on the three islands are expected to benefit at some level from the Project. The beneficiaries, disaggregated by intervention area, are outlined in the Table 2.

<sup>4</sup> Estimates are 5 and 10 years, respectively, from the Entry into Force date; i.e., 17Oct05. Increases in income presented are cumulative.



**Table 2 - Watershed Beneficiaries**

|                                                                                                                              | <b>Santo Antão (Paul)</b> | <b>São Nicolau (Fajã)</b> | <b>Fogo (Mosteiros)</b> | <b>Total</b> |
|------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|-------------------------|--------------|
| <b>Beneficiaries</b>                                                                                                         |                           |                           |                         |              |
| Number of farmers expected to gain increased access to water and credit to install drip irrigation                           | 229                       | 59                        | 49                      | 337          |
| Number of people expected to be impacted directly by drip irrigation activities <sup>5</sup>                                 | 1,145                     | 295                       | 245                     | 1,685        |
| Number of farm households on the islands expected to receive benefits from the agriculture development services <sup>6</sup> | 6,789                     | 513                       | 1,289                   | 8,591        |
| Number of people in farm households on the islands                                                                           | 31,776                    | 9,222                     | 28,691                  | 69,689       |
| Total number of people on the islands                                                                                        | 48,761                    | 12,940                    | 37,798                  | 99,499       |

Source: “Projeções Demográficas de 2008”, National Statistical Institute of Cape Verde.

## (2) Infrastructure Development Project

For the roads and bridges in Santiago and Santo Antão, the beneficiaries will be Cape Verdean families, farmers, businesses, non-governmental organizations (NGOs) and social-service providers located in communities along the improved project roads or connected by the project bridges. There are an estimated 58,728 people or 18% of the total population of the islands of Santiago and Santo Antão who will be directly impacted by these construction activities<sup>7</sup>.

**Table 3 - Roads Beneficiaries**

| <b>Road</b>                                                 | <b>Km</b>   | <b>Direct Beneficiaries *</b> | <b>Indirect Island Beneficiaries **</b> | <b>% of Direct Beneficiaries by Island</b> |
|-------------------------------------------------------------|-------------|-------------------------------|-----------------------------------------|--------------------------------------------|
| Orgãos-Pedra Badejo (Santiago)                              | 10.0        | 12,498                        | 282,730                                 | 10%                                        |
| Cruz Grande-Calhetona (Santiago)                            | 13.7        | 6,365                         |                                         |                                            |
| Assomada-Porto Rincão (Santiago)                            | 15.6        | 10,002                        |                                         |                                            |
| Two Bridges at Ribeira Grande (Santo Antão)                 | 0           | 21,480                        | 48,761                                  | 61%                                        |
| Two Bridges at Vila das Pombas & Liaison Eito (Santo Antão) | 0           | 8,383                         |                                         |                                            |
| <b>Total</b>                                                | <b>39.3</b> | <b>58,728</b>                 | <b>331,491</b>                          | <b>18%</b>                                 |

Source: National Statistical Institute of Cape Verde, January 2008

\* Direct beneficiaries are people living in communities along the roads.

\*\* Indirect beneficiaries are all residents on the islands of Santiago and Santo Antão.

<sup>5</sup> The number of people is estimated by assuming 5 people per farm family

<sup>6</sup> The number of farmer households in São Nicolau and Fogo is equivalent to the number of farmer households in Fajã and Mosteiros as per the 2006 Baseline Agricultural Survey. Santo Antão includes all farmer households on the island due to the construction of the post harvest center.

<sup>7</sup> The total number of beneficiaries is 58,728. There are 28,865 beneficiaries from the Roads component, all on Santiago Island, and 29,863 from the Bridges component, all on Santo Antão Island.

As a consequence of required design changes in conjunction rising construction costs and foreign exchange currency fluctuations, the Government of Cape Verde (GoCV) confirmed its agreement with the January 2008 (Q10) MCC recommendation for restructuring the Port of Praia Expansion and Modernization Activity. The agreement establishes that MCC would finance only Phase I (including i) the rehabilitation of quay 2, ii) the construction of the cargo village, iii) the construction of the access road, iv) the preparation of Phase I and Phase II design studies and v) and the development of Phase I and Phase II environmental impact assessments) of said works using USD 47 million in compact funds. Since that point in time, the GoCV has secured a concessional thirty year commercial loan guaranteed by the Government of Portugal, equivalent to 86 million Euros (USD 107.5 million) to finance Phase II (including i) the extension of Quay 1, ii) the construction of an attached linear breakwater, iii) the construction of an eight hectare reclaimed container yard, iv) the construction on cargo village buildings, v) harbor dredging and navigation aides and vi) the supervision of the works).

For the Port of Praia expansion, the primary beneficiaries are Cape Verdean importers and exporters, including individuals and businesses, through improved quality of transportation services following the upgrades to the Port of Praia. Businesses and employees involved in the tourism sector on Santiago are expected to benefit from the Port upgrade by alleviating a possible future constraint on growth. In addition, the whole population of the island of Santiago, approximately 234,940 people, which accounts for 57% of the total population of Cape Verde, is expected to benefit from lower import prices.

### **(3) Private Sector Development Project**

**The principal beneficiaries of the Financial Sector Reform Activity will be individuals and companies that stand to benefit from improved access to financial services and enhanced investment opportunities.**

The beneficiaries of the Financial Sector Reform Activity will be:

- Urban and rural poor who will gain access to a broader menu of financial services from stronger MFIs;
- Private sector firms and farmers associations/cooperatives that benefit from reduced input costs and greater availability of services;
- Existing MFIs and NGOs who will receive specialized technical assistance for institutional transformation; and
- Investors and borrowers, including government, who will gain from a more open financial system.

## **3. Monitoring Component**

Project and Activity performance will be monitored regularly through the Indicator Tracking Table submitted by MCA-Cape Verde to MCC in the Quarterly Disbursement Request Package (QDRP). This analysis allows managers of MCA-CV and MCC to make programmatic adjustments as necessary with the view towards improving the overall impact of the Program. The Detailed M&E Project Plan will be revisited annually and include annual and end of compact targets.

## ***Indicators***

Project Objectives, Activity Outcomes, Activity Outputs and Work Plan and/or Conditions Precedent related Process Milestones will be monitored by performance indicators. The Indicator Definition Tables that are attached to the body of the M&E Plan provide a detailed definition of each indicator; unit of measurement; source of data; method of data collection; frequency of data collection; and the entity responsible for gathering the data. Compact Goal Indicators, Project Objective Indicators and Activity Outcome Indicators identified in the tables contained in Compact Annex III are included in the M&E Plan. Additional indicators, including MCC mandated agricultural and infrastructure sector common indicators and process milestone indicators, have been added to the M&E Plan as a result of greater definition of the Project Work Plans and need for MCC to systematically inform senior management as well as to report implementation progress to its constituents. Over the life of the Program, the indicators in the M&E Plan may be further expanded or in some exceptional cases reduced, with the mutual agreement of MCA-CV and MCC.

## ***Baselines and Targets for Performance***

The baselines and targets for each indicator are shown in the Performance Tracking Tables which are presented after the Indicator Definition Tables in Attachment 3. Pending baselines and targets are generally set prior to initiation of the corresponding Project Activities. They are subject to revision during Compact implementation with the mutual agreement of MCA-CV and MCC.

MCA-CV will maintain comprehensive technical documentation of the baseline development and the methodologies used to calculate targets; including, for example, underlying assumptions, equations used, data sources used and contact information of responsible parties. Any modification to the approved methodology and/or targets requires written approval by MCC, as per Compact Annex III Section 5 (d) regarding Modifications.

## ***Disaggregating Data by Gender, Income and Age***

The following indicators should be disaggregated by gender, age and/or income and will be reported according to the respective indicator's definition:

**Table 4 - Indicators to be Disaggregated by Gender, Income and Age**

|                                                                                                        | <b>Gender</b> | <b>Age</b> | <b>Income</b> |
|--------------------------------------------------------------------------------------------------------|---------------|------------|---------------|
| <b>Watershed Management and Agriculture Support Project</b>                                            |               |            |               |
| Number of farmers trained in drip irrigation                                                           | X             | X          | X             |
| Volume of new loans disbursed – drip irrigation                                                        | X             | X          | X             |
| <b>Infrastructure Project</b>                                                                          |               |            |               |
| Mobility ratio - “Percentage of beneficiary population who take at least 5 trips per month”            | X             | X          |               |
| Travel time ratio – “Percentage of beneficiary population further than 30 minutes from nearest market” | X             | X          |               |

The disaggregated baseline data by geographic region, gender, age and income for the Agricultural Support, Roads and Bridges, Port Expansion and Modernization and Private Sector Development Project beneficiaries will be provided not later than 60 days following the compact end date; i.e., December 15, 2010. Impact results of the aforementioned project beneficiaries will vary according to the completion dates of the post compact evaluation activities. Estimated impact evaluation completion dates include December 2013 for Agricultural Support, November 2011 for Roads and Bridges, June 2014 for Port Expansion and Modernization and December 2010 for Private Sector Development.

### ***Data Quality Reviews***

The objective of the data quality reviews will be to verify the quality and the consistency of data across all Projects over time, across different implementing partners and reporting institutions. Such data quality reviews will also serve to identify cases in which comparable quality standards cannot be achieved, given the field realities of the situation in which the data are collected. These assessments will mainly cover data reported by implementing entities and may include other data sources as necessary.

The MCA-CV Monitoring & Evaluation Officer will oversee the contracting of the independent data quality reviewers in compliance with the contract terms of reference. Apart from independent data quality reviews, the M&E staff of the Management Unit will regularly check the quality of data across all Projects. The first data quality review was completed in Quarter 7 (April to June 2007) of the Compact. The second data quality review was reprogrammed from Quarter 16 to Quarter 20 (July-October 2010) in order to ensure in course field correction of closeout data collection activities.

### ***Standard Reporting Requirements***

Performance reporting refers to the tracking of the on-going “actual” progress of Project and Activity indicators against “targeted” progress. Performance reports serve as a vehicle by which the MCA-CV Management informs MCC of implementation progress, impediments, lessons learned, best practices and on-going field revisions to project and/or activity work plans.

Currently, two standard performance reports are required at regular intervals during compact implementation: (1) a quarterly Indicator Tracking Table (ITT) which tracks progress against indicators in the M&E Plan with an accompanying narrative report that documents the reasons for significant deviations from targets. These are submitted as part of the Quarterly Disbursement Request Package (QDRP). (2) Annual Supplemental Reports (ASR). Guidance on fulfilling these reporting requirements is available *via* the MCC website at: (<http://www.mcc.gov/countrytools/compact/implementation.php>).

As of December 2009, MCC has recommended the preparation of a Compact Closeout Report (CCR) in order to document the history/evolution of program events and performance as well as to self-assess MCA-CV’s management of its program and provide recommendations to MCC regarding the implementation model. In support of this initiative, MCA-CV M&E has contracted

an independent consultant to assist the MCA-CV management in the preparation of said report prior to the end of the compact closure period, i.e., October 18, 2010 to February 14, 2011.

Other reports on baseline data, data quality, special studies, evaluations and other ad hoc reports are provided to MCC in accordance with the M&E Plan. For more details on quarterly reporting refer to Attachment 1.

All reports must be posted on the MCA-CV website in both English and Portuguese after MCC approval.

## **4. Evaluation Component**

Effective management for results requires the regular collection, review and use of performance information. Impact evaluations seek to determine whether project activities have had the desired effects on intended direct beneficiaries; i.e., individuals, households and/or institutions, and whether those effects can be attributed to project interventions.

One of the key features of the MCC's approach to development assistance is its strong commitment to conducting rigorous impact evaluations of its programs, and to use, whenever possible, methodologies that determine whether results can be reliably attributed to MCC interventions. Evaluation also improves program management and provides lessons for program implementation in the future. Consequently, evaluation will be an essential element of the MCA-Cape Verde Program.

### ***Final Impact Evaluations***

The Program will be evaluated on the extent to which the interventions contribute to the Compact Goal of "Increasing Economic Growth and Reducing Poverty." MCA-CV, with the prior written approval of MCC, will contract independent evaluators to conduct final impact evaluations for those projects/activities that can be completed with the compact implementation period financed by the MCA-CV M&E budget. MCC will contract independent evaluators to conduct final impact evaluations for those projects/activities that will be completed after the compact end date to be funded by the MCC impact evaluation due diligence budget.

At a minimum, impact evaluations must address the following:

- Why goals, objectives and targets were or were not achieved
- Positive and negative unintended results of the program
- Effectiveness of program activities and establish whether results can be attributed to MCC interventions
- Lessons learned and best practices in project implementation
- Comparative analysis of projected versus final economic rates of return on selected Projects

The anticipated approaches to impact evaluations for each of the Project Activities are described below.

### ***1. Watershed Management and Agriculture Support Project***

**Treatment group:** The treatment group will consist of farm households in communities that have been chosen to be included in the MCA-CV Program.

**Control group:** The control group will consist of farm households in communities that have *not* been chosen to be included in the MCA-CV Program.

**Selection Method:** The Ministry of Agriculture will compile selection criteria for the communities that will be included in the Program with MCC. The control communities will be chosen as those being the most similar to the treatment communities before any MCA interventions have occurred. Because of Cape Verde's relatively small population size, it may be difficult to find enough similar households to use as a control. This risk will differ across watersheds and can be mitigated with high response rates and accurate data collection.

**Baseline data collection:** Three surveys have been developed to capture extensive baseline data on the intervention and control watersheds.

(1) First, the *MCA Watershed Baseline Survey: Agriculture Campaign 2005/2006* will ask about general household information and agricultural production, including plot size, type and amount of irrigation used, types of crops planted, amount of products harvested and sold, and transformation activities at the household level. This survey will be exhaustive, i.e. every household in the treatment and control areas will be interviewed.

(2) The second survey will also be comprehensive and will create a poverty profile of the households in both the intervention and the control areas within the same watershed. The *MCA 2006 Baseline Socio-economic Survey* will include questions on income, consumption, assets and overall well-being of all households within the participating watersheds.

(3) The third survey, the *MCA 2006 Agribusiness Survey*, will gather information on "transformation" or processing of agricultural products occurring outside of the household in the watershed intervention and control areas. All transformation units in the watersheds will be visited for the survey.

The *Watershed Baseline Survey: Agriculture Campaign 2005/2006* and the *2006 Agribusiness Survey* will be administered by the General Directorate of Planning, Budget and Management office (DGPOG) of the Ministry of Agriculture with special assistance by the Directorate of Food Security Services (DSSA) for conducting the *2006 Baseline Socio-economic Survey*.

**Interim and Final Data Collection:** In the years between the baseline and final surveys, the National Statistical Institute (INE) will monitor agricultural activity through seasonal surveys. The *MCA Cool Season Agricultural Survey: October/April* and the *MCA Warm Season*

*Agricultural Survey: May/September* will gather detailed information from a sample of 200 households in each of the intervention areas on production costs, productivity and farm gate prices. In addition to the seasonal agricultural surveys, INE will conduct a close out *Socio-economic Survey* to monitor the poverty profile of all farmer households in participating watersheds.

**Methodology:** Analysis could be done at two levels. First, the treatment areas can be compared to the control areas using a difference-in-differences approach which compares the difference of the treatment group before and after the program to the control group before and after the program. If appropriate, propensity score matching may be used to match treatment and control areas based on data gathered during the baseline data collection. Secondly, the evaluation could compare households within the treatment areas to determine who in the watersheds benefited from the intervention. It could compare households who received various levels of treatment, for example, one could compare a household that received water, training, and credit with a household who received only training to isolate the impacts of the various program interventions. There may be a selection bias associated with using this approach. Other agricultural and the household surveys from INE could be used to supplement the evaluator's work, as could qualitative work such as in-depth interviews with key actors and focus groups.

## ***2. Infrastructure Project: Roads and Bridges Activity***

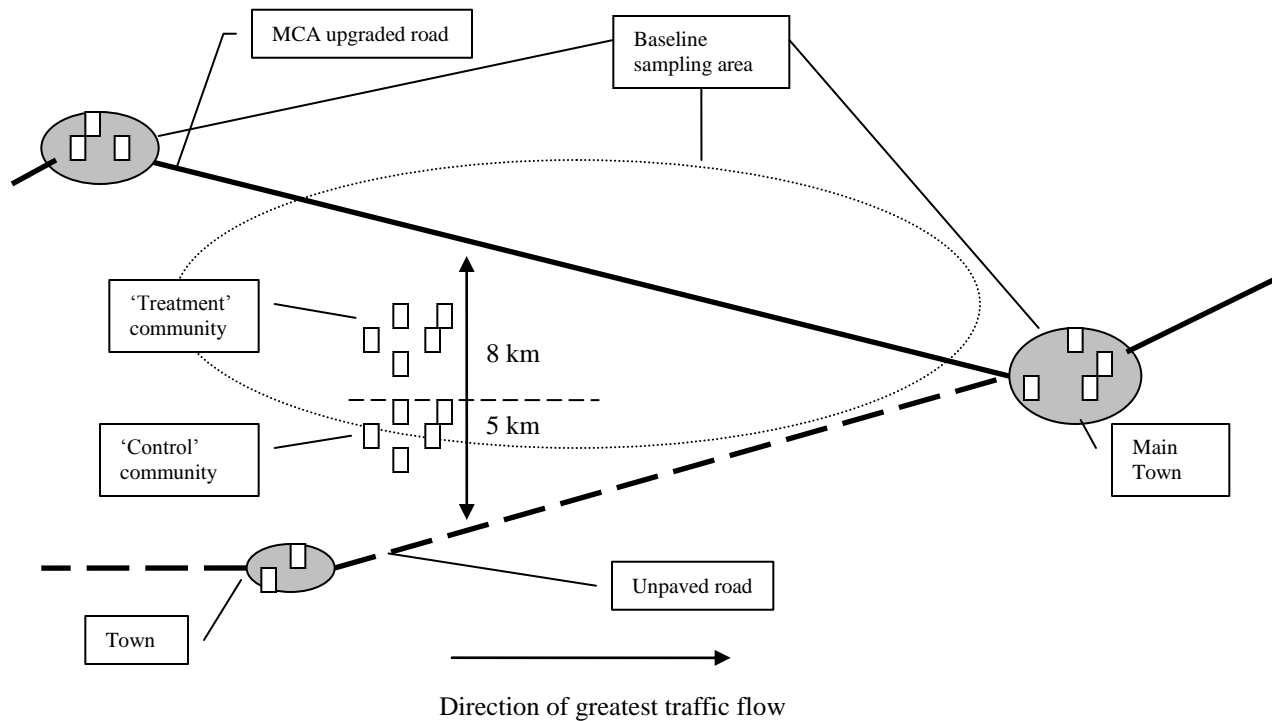
**Treatment group:** The treatment group will consist of communities around the upgraded roads and bridges. The inclusion criteria for a treatment group could include a variable such as distance from the road, with a cutoff such as five kilometers. Although the variable(s) and cutoff(s) used to define the treatment group can be adapted, they should be established prior to the evaluation and any respective data analysis.

**Control group:** A control group *could* consist of communities that fit the following criteria:

1. Were included in the World Bank Baseline Socio-Economic Study
2. Have access to an MCC funded upgraded road at Compact's end
3. Have *relatively closer* access to a non-upgraded, non-paved road<sup>8</sup>

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<sup>8</sup> The embedded assumption in establishing these communities as control communities is that households prefer proximity to quality, that is, a household will choose a road that is closer over a road that is of higher quality.



**Figure 2 - Potential Roads Impact Evaluation Design**

**Selection Method:** MCC selected a sub-set of roads from a joint World Bank and Ministry of Infrastructure Transport Project based on the technical feasibility and analysis of the rate of economic returns on road investments.

**Baseline data collection:** The World Bank contracted a socio-economic baseline study and traffic surveys for each of the roads and bridges in 2004/2005. MCC and MCA-CV have copies of these studies and have mutually agreed to accept them as the baseline dataset.

**Interim data collection:** No roads and/or bridges interim data collection activities are programmed. Special studies, surveys and/or traffic counts are not to be conducted until approximately one year after the completion of the civil works. Santiago roads were completed in January 2010. Santo Antao bridges were completed in October 2009.

**Final data collection:** Final improved roads network socio-economic studies and traffic counts for MCC funded Santiago roads and Santo Antao bridges are scheduled for November 2010. Due to the October 17, 2010 compact end date, said studies will be an integral part of the compact close out activities to take place during the compact completion period. MCA-M&E will contract an independent consultant to provide such services and report the outcomes of the results to MCC-M&E prior to December 2010. Post compact, MCC-M&E will explore opportunities for a more rigorous roads and bridges final evaluation by issuing a terms of reference to MCC prequalified IDIQ (Indefinite Deliverables/Indefinite Quantities) evaluation firms, not later than January 2011, requesting proposals for the a roads/bridges impact evaluation based on a rigorous experimental or quasi-experimental design. Assuming the likelihood of



awarding such an evaluation contract, it is anticipated that the post compact impact evaluation results will be available for public dissemination by not later than September-December 2011.

**Methodology:** The evaluation will compare the impact of the rehabilitated roads network on household incomes and business revenues in communities located within 5 kilometers of the roads with a group of similar communities that are more distant from the rehabilitated roads. If suitable control groups cannot be derived from the baseline data, a simple pre-post comparison will be accepted for evaluating road/bridge impacts on affected communities. The MCA Compact Closeout Report will include a) the recalculation of the Roads and Bridges Activity economic rate of returns in order to determine whether the forecast targets were achieved as well as b) estimated increases in mobility ratios, improvements in road smoothness, improvement in travel time ratios and savings derived from reduced vehicle operating costs. Refer to Attachment 10 for a description of the methodology for calculating the International Roughness Index.

It is suggested that the methodology and survey instruments used by the baseline consulting firm contracted by the World Bank (Estrategos Consultores Associados, SA) be repeated in the closeout activities in order to ensure consistency in the data collection instruments and, thereby, comparability of baseline and closeout data.

If the fielding of government household surveys, population and/or business censuses is timely, said data may be used to enrich evaluation results to examine business development in the targeted populations, and/or measure the effect of road construction on emerging migration patterns. Special studies may also be done on business development in the affected communities as a result of road improvements. This may be especially relevant for Assomada-Rincão (Road No: 4) as this road segment will provide this previously isolated fishing community on the island of Santiago improved access to markets and social services.

## ***2. Infrastructure Project: Port of Praia Expansion and Modernization Activity***

**Treatment group:** Port of Praia

**Control group:** Porto Grande in Mindelo or a weighted average of comparable ports.

**Selection Method:** The Port of Praia was selected because it has had fewer recent improvements than the Port in Mindelo and is the most widely used port in the country.

**Baseline data collection:** ENAPOR (national authority for port administration) collects detailed, data on all ships using maritime ports and general port operations. Baseline data for port operations has been collected prior to construction activities. INE collects price and sector specific economic data.

Baseline data for port related businesses (2008 Formal Sector Business Survey and 2010 Port of Praia Baseline Surveys) will be collected prior to the completion of the Phase I civil works. 2010 Port of Praia Baseline Surveys, to be conducted by INE, will include a) a formal sector business survey of the 100 largest nation-wide businesses of the 10 largest Cape Verde imports/exports,

b) formal sector importers and exporters, c) informal business sector survey of transport service providers, d) informal business sector survey of port related wholesalers and distributors and e) ENAPOR Port of Praia operators/employees.

MCA-CV M&E will fund the 2010 Port of Praia Baseline Surveys prior to the completion of the Phase I civil works. Phase I port improvements include: 1) the rehabilitation of quay 2, 2) the construction of the cargo village, 3) the construction of the access road, 4) the preparation of Phase I and Phase II design studies and 5) the development of Phase I and Phase II environmental impact assessments) of said works using USD 47 million in compact funds.

**Interim data collection:** No Port of Praia interim data collection activities are programmed other than daily port administrative and operational statistics routinely gather by ENAPOR. The ex-post Economic Rate of Return Analysis and associated Beneficiary Analysis of Phase I will be completed by an MCA-Cape Verde M&E funded independent consultant contract by November 2010.

**Final data collection:** Due to the January 2008 restructuring of the Port of Praia Project, the Government of Cape Verde will finance post compact Phase II works using 86 million Euros (USD 107.5 million) from a concessional thirty year commercial loan guaranteed by the Government of Portugal. Phase II port improvements include: 1) the extension of Quay 1, 2) the construction of an attached linear breakwater, 3) the construction of an eight hectare reclaimed container yard, 4) the construction on cargo village buildings, 5) harbor dredging and navigation aides and 6) the supervision of the works. A consortium of three Portuguese construction companies was contracted in August 2010 to execute the 33 month construction project. The estimated completion data of Phase II works is September 2013.

Post compact, MCC-M&E will explore opportunities for a more rigorous Port of Praia final evaluation by issuing a terms of reference to MCC prequalified IDIQ (Indefinite Deliverables/Indefinite Quantities) evaluation firms, not later than January 2013, requesting proposals for the a maritime port impact evaluation based on a rigorous experimental or quasi-experimental design. Assuming the likelihood of awarding such an evaluation contract, the evaluation of Phase II will likely be completed in December 2013 - June 2014 following the completion of a 33 month construction period. In the event that a rigorous experimental or quasi-experimental design are not feasible, an independent consulting firm will conduct a pre and post comparison using ENAPOR (National Agency for Administration of Ports) administrative data and INE employee and formal and informal business related survey data. Post compact impact evaluations will be funded through the MCC impact evaluation due diligence budget.

**Methodology:** The strategy likely to be used will be a difference-in-differences approach that compares changes in the Port of Praia with either the port in Mindelo or a weighted average of comparable ports or, alternatively, a pre and post comparison of efficiency measures of port operations, private sector income growth and government revenue generated as a result of port improvements. Analysis will measure the relative changes in the cost of transportation to importers, the price of goods on select islands, the level of domestic and international traffic, as well as the growth trend in relevant sectors before and after the improvements to the port. Special studies will likely be undertaken to a) identify the impact of the port on transport

companies, shippers, importers, and other investments that seem to be sensitive to port expansion; e.g., tourism and b) analyze the extent to which the port project has contributed to achieving an overall compact objective of increasing the integration of internal markets through inter-island trade.

### ***3. Private Sector Development Project***

A rigorous impact evaluation will not be pursued for the Private Sector Development Project due to the significant reduction in the Project's scope. Notwithstanding, a detailed qualitative evaluation will be conducted on the Increasing Financial Intermediation Component of the Project. Said evaluation will focus primarily on products, processes and outcomes of the Private Sector Reform component with an emphasis on qualitative and quantitative results. Specifically, the evaluation will provide objective information on the following:

- 1) Relevance of the program, its initiatives, actions and strategies;
- 2) Program design against the actual and priority needs of target groups;
- 3) Progress made regarding expected products, services and processes and their actual contribution to the overall improvement in the performance of microfinance institutions;
- 4) Effectiveness of actions, strategies and methodologies adopted to implement the technical assistance considering the capacity to assimilate by recipients groups;
- 5) Sustainability of the results achieved and potential for benefit stream continuity;
- 6) Impacts on governance, financial management, diversification of products, services, improvements in process and portfolio management, planning, monitoring and evaluation, training, institutional and individual capacity building, information technologies and communication, and organizational capacity;
- 7) Impact on the beneficiaries serviced;
- 8) Ability of the MFIs to improve reporting procedures;
- 9) Evaluate the impact of training on microfinance institutions;
- 10) Qualitatively evaluate the project through an opinion survey with MFIs, FAM-F and and stakeholders.
- 11) Document principle lessons learned and opportunities for replication in future initiatives.

### ***Special Studies***

MCC and MCA-CV may request special studies of Projects, Project Activities or of the Program as a whole. In general, special studies will be conducted by independent consultant contracts in compliance with the Procurement Agreement although this will not preclude the possibility of select studies and or initiatives from being pursued by MCC-M&E staff, MCA-M&E staff and/or implementing entities.

## 5. Economic Analysis, Assumptions and Risks

The Cape Verde MCA program logic is based on specific assumptions about the linkages between individual Project Activities and the goal of increasing economic growth and reducing poverty. The economic rates of return are based on these assumptions. Risks are external to program implementation and are likely to affect program success.

### *Economic Analysis*

A summary of the estimated economic rates of return (ERRs) is included in the table listed below.

**Table 5 – Project Economic Rates of Return**

| Project / Project Activity           | Economic Rate of Return |
|--------------------------------------|-------------------------|
| Agriculture Project <sup>9</sup>     | 3% - 13%                |
| Roads and Bridges Activity           | 14%                     |
| Port of Praia Activity <sup>10</sup> | 29%                     |
| Financial Sector Reform Activity     | 11%                     |

The Watershed Management and Agriculture Support project ERR examines the increase in value added that results from the horticulture and fruit production made possible by the investments in watershed management. The Roads return measures the reduction in vehicle operating costs from improving existing roads and laying new ones, as well as the reduction in foregone earnings resulting from the new bridges connecting economic centers previously obstructed during rainy periods. In the Port estimate, studies undertaken by BCEOM have modeled the results of MCC investments in operational detail. In particular, the model captures explicitly MCC investments' contribution to relieving constraints on handling capacity, productivity, and ultimately port traffic. BCEOM's September 2007 study estimated benefits of these investments both in terms of cost reductions for port operations as well as GDP growth. Finally, the Financial Sector's ERR is based on published econometric estimates of the impact of the depth of the financial sector on GDP growth. There are a number of potential positive externalities that have not been included in the calculations.

<sup>9</sup> The Agricultural Project's ERR is based on farmers' crop selection and those crops' respective average farm-gate prices in 2007 (the exception is Cabbage, which uses the market price at Sal). A relatively lower-return crop mix of 20% of each of the following per hectare: Pepper, Lettuce, Cassava, Potato, and Banana yields a Project ERR of 3%. A relatively higher return crop mix of 20% each of the following per hectare: Tomato, Sweet Potato, Cabbage, Onion, and Mango yields a Project ERR of 13% (Value Added targets are based on this crop mix). Both scenarios assume a uniform cropping pattern across all watersheds and a small percentage of crops (10%) as low quality and therefore unsellable. This ERR should be viewed as conservative as it does not include income streams from other likely benefits from planned post-harvest centers, technical assistance, and other agricultural development services.

<sup>10</sup> This ERR includes a 20% cost increase contingency. The returns are based on the completion of both Phases I and II.

## ***Assumptions and Risks***

The most significant assumptions and risks are presented in the tables below for each Project. Many of these assumptions have been included in the M&E Plan as indicators, as a way of testing the economic analysis assumptions during program implementation.

**Table 6 - Assumptions and Risks**

| <b>Watershed Management and Agriculture Support</b>                                                                            |                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Assumptions</b>                                                                                                             | <b>Risks</b>                                                                                                                                                                                                                        |
| Drip irrigation will be installed on approximately 111.2 hectares with about 337 farmers adopting drip irrigation.             | Farmers do not find drip irrigation credit terms favorable and do not widely adopt drip irrigation technology.                                                                                                                      |
|                                                                                                                                | Construction delays lead to a lack of access to water and delay in installation of drip irrigation.                                                                                                                                 |
|                                                                                                                                | Infrastructure delays will impact the demand for credit to install drip irrigation.                                                                                                                                                 |
| Farmers on irrigated land will grow high-value horticultural crops and will cultivate, on the average, 2 crop cycles per year. | Farmers do not realize sufficient profits to make payments on drip irrigation loans.                                                                                                                                                |
| Real prices remain constant.                                                                                                   |                                                                                                                                                                                                                                     |
| Sufficient market exists to absorb increased farm production.                                                                  | The quarantine for horticulture products on Santo Antao is not lifted.                                                                                                                                                              |
|                                                                                                                                | There is insufficient water available to irrigate the number of targeted hectares.                                                                                                                                                  |
|                                                                                                                                | Domestic inter-island transportation infrastructure remains weak and local demand is not sufficient to absorb increased horticultural production.                                                                                   |
|                                                                                                                                | As with any construction project, there is the risk that costs will exceed the budget, thereby, negatively impacting the installed capacity of the surface water catchment infrastructure and water distribution works constructed. |

| <b>Infrastructure Development</b>                                                            |                                                                                                                                                        |
|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Assumptions</b>                                                                           | <b>Risks</b>                                                                                                                                           |
| <b><i>Roads and Bridges</i></b>                                                              |                                                                                                                                                        |
| There will be significant savings in vehicle operating costs for roads upgraded with asphalt | The Road Maintenance Fund is subject to pressure to allocate funds outside programmed maintenance.                                                     |
|                                                                                              | The design of this Road Maintenance Fund improves upon the structure of an earlier road maintenance-financing mechanism that did not prove successful. |
| There will be significant savings in travel time for roads upgraded with asphalt.            | As with any construction project, there is the risk that costs will exceed the budget.                                                                 |

|                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bridges on Santo Antao are passable all year round.                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                       |
| <b>Port of Praia</b>                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                       |
| Absent port improvements, the economy, in particular, GDP growth would be constrained.<br><br>Anticipated economic benefits rely on investments relieving constraints on productivity, handling capacity, and ultimately port traffic, generating benefits both in terms of cost reductions for port operations as well as GDP growth. | Growth in cargo traffic that was used as the basis for the expansion plan does not materialize or takes longer to materialize than projected.                                                                                                         |
|                                                                                                                                                                                                                                                                                                                                        | As with any construction project, there is the risk that costs will exceed the budget.                                                                                                                                                                |
|                                                                                                                                                                                                                                                                                                                                        | Significant environmental risks include damage to the marine communities in the area of the port and contaminated dredge material and/or demolition waste.                                                                                            |
|                                                                                                                                                                                                                                                                                                                                        | There is the risk that GoCV does not secure external funding to supplement budgetary shortfalls for the completion of Phase II works.<br><br>ENAPOR does not proceed with the privatization of port operations or that privatization is unsuccessful. |

| <b>Private Sector Development</b>                                    |                                                                  |
|----------------------------------------------------------------------|------------------------------------------------------------------|
| <b>Assumptions</b>                                                   | <b>Risks</b>                                                     |
| <i>Financial Sector Reform</i>                                       |                                                                  |
| At least three microfinance institutions agree to accept assistance. | MFIs do not become operationally and/or financially sustainable. |

## 6. Implementation and Management of M&E

The MCA-CV M&E Plan must be approved by the MCA-CV Steering Committee and submitted to MCC for approval prior to the end of the Compact “initial operating period”; i.e., 180 days after compact “entry into force”. Upon MCC-M&E approval, the M&E Plan will be posted on the MCA-CV website.

Before beginning implementation of Projects or Project Activities, MCA-CV will orient staff and Project implementers on how performance will be measured, and will provide any necessary training to comply with the M&E Plan. MCC-M&E will assist MCA-CV as needed or requested. MCA-CV will also review comments and suggestions from Steering Committee members, Stakeholders Groups and program beneficiaries. The Steering Committee must review and approve the M&E Plan before the fourth quarter of each Compact year.<sup>11</sup> MCC and MCA-CV

<sup>11</sup> This is a requirement of the Disbursement Agreement Section 3.5 (g).

may make adjustments to the M&E Plan as needed, *provided*, any such modification or amendment of the M&E Plan has been approved by MCC-M&E and is otherwise consistent with the requirements of the Compact and any relevant Supplemental Agreement between the Parties.

MCA-CV, for its part, will formulate detailed M&E Plans to monitor Project Activity performance through input, process and output level indicators. Refer to Attachment 2 for a list of Process Milestones and Attachment 3 for a list of Indicator Definition and Performance Tracking Tables.

The MCA-CV Senior Economist, the Monitoring and Evaluation Officer and the Monitoring and Evaluation Assistant will be responsible for carrying out the tasks associated with M&E.

### ***Responsibilities***

The general M&E responsibilities that MCA-CV will carry out include the following:

- Modify the M&E Plan as more information becomes known (for example, define indicators, baselines, and targets);
- Prepare and up-date the MCA-CV Detailed M&E Plans;
- Coordinate with implementers and/or execute directly the collection, data quality review and/or analysis of program related data;
- Prepare all MCA-CV M&E Reports for the MCC;
- Maintain an M&E database and work with NOSi to incorporate it into the national accounting system, SIGOF;
- Ensure that all M&E Reports and other relevant information is updated on the MCA-CV Web site;
- Manage contracts with local and/or international consultants for M&E services and verify the timeliness, quality and quantity of all deliverables;
- Coordinate or execute special studies and ad hoc evaluations as needed;
- Contract for and oversee program and project evaluation activities;
- Contract for and oversee data quality reviews; and
- Facilitate learning exchanges and information dissemination with the Cape Verde public and foreign donor community (lessons learned and best practices).

For the specific responsibilities of the M&E Analyst refer to Attachment 3.

### ***Coordination of M&E Data Gathering***

The gathering of data on activity level performance indicators (inputs, process milestones, outputs and select outcomes) will be conducted by government implementing entities and program related construction, supervision and technical assistance contractors. Government implementing entities include 1) the Ministry of the Environment, Rural Development and Marine Resources (MADRRM), 2) the National Statistical Institute (INE), 3) the Government Agency for Information Society (NOSi), 4) the National Institute of Water Management (INGRH), 5) Ministry of Infrastructure and Transport (MIT) and the National Administration of Maritime Ports (ENAPOR). The MCA-M&E Plan identifies all relevant performance indicators

(goal, objective, outcome, output, input and process milestones), definitions, units of measurement, responsible parties, targets and frequency of reporting. As per the MCA-M&E Plan, data is collected and reported by the implementing entities and contractors to MCA-CV on a monthly and/or quarterly basis. Data collection instruments that are not processed through the procurement plan and are funded with MCA funds require MCC-M&E written approval.

Watershed Management and Agriculture Support Project<sup>12</sup>: The Central Coordination Unit in the Ministry of the Environment, Rural Development and Marine Resources (MADRRM) will be responsible for consolidating data collected and reported by the agricultural delegations in the participating watersheds; i.e., Paul (Santo Antao island), Faja (San Nicolau island) and Mosteiros (Fogo island). Agland Investment Services (technical assistance contractor) will report directly to the MCA Watershed Management and Agriculture Support Project Manager. The National Statistical Office will provide supplemental data collection services in support of cyclical and socio-economic surveys as well as for determining and disseminating average monthly consumer price data of horticultural and fruit prices in select island markets. Caixa Economica and the four participating MFI's (ASDIS, MORABI, OMCV and SOLDIFOGO) will report to the MCA Watershed Management and Agriculture Support Project Manager for all performance data related to the Credit Activity.

Roads and Bridges Activity of the Infrastructure Project: Construction and supervision of works contractors will provide written monthly progress reports on construction activities to the Ministry of Infrastructure and Transport (MIT) and the MCA Roads and Bridges Program Manager designated as responsible for government oversight.

Port of Praia Expansion and Modernization Activity: Construction and supervision of works contractors will provide written monthly progress reports on construction activities to the Ministry of Infrastructure and Transport (MIT) and the MCA Port of Praia Program Manager designated as responsible for government oversight. ENAPOR will conduct routine data collection on port operations. As previously noted in the discussion of the Port of Praia impact evaluation, the National Statistical Office will provide baseline private sector data collection services including conducting a) a formal sector business survey of the 100 largest nation-wide businesses of the 10 largest Cape Verde imports/exports, b) formal sector importers and exporters, c) informal business sector survey of transport service providers, d) informal business sector survey of port related wholesalers and distributors and e) ENAPOR Port of Praia operators/employees.

Private Sector Reform Activity of the Private Sector Development Project: PlaNet Finance Advisory Services (technical assistance contractor) and the five participating MFI's (ASDIS, FAMI-PICOS, MORABI, OMCV and SOLDIFOGO) will report to the MCA Private Sector Development Project Manager for all performance data related to the Financial Sector Reform Activity.

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<sup>12</sup> The National Institute of Statistics (INE) and MCC pre-qualified IDIQ evaluation firms will be contracted for post compact data collection and analytical services in support of the Watershed Management and Agricultural Support Project and Port of Praia Project impact evaluations.



### ***Consultative Process***

Civil society consultative activities have been programmed for each project and for each year throughout the life of the Compact. Consultative activities involve representative participation of direct beneficiaries, civil society organizations, private volunteer organizations, chambers of commerce, municipal governments, non-governmental organizations, microfinance institutions and other stakeholders in an annual review of planned and executed activities, results of environmental impact studies, the development of environmental impact implementation plans and the on-going reprogramming of project activities. Representative participation will be financed through project funds for rotating annual events hosted among four Cape Verde islands.

### ***The Management Information System for M&E***

MCA-CV will establish and maintain an appropriate management information system (MIS) for continuously monitoring and reporting the progress of each of its Projects. That system will cover indicators identified for tracking in both the M&E Plan as well as more detailed M&E Plans used by the MCA Unit and implementers. MCC will fund the upgrade of SIGOF, the existing government system for budgeting and financial management, to be used by MCA-CV as a program management and monitoring system to organize data and produce the necessary reports. The upgrade and maintenance of SIGOF will be done by NOSi in conjunction with technical assistance provided by MCA-M&E funded consultant services.

### ***Institutional Strengthening for M&E***

In order to strengthen the institutional capacity of implementing entities and corresponding project personnel and of MCA-CV staff, a number of support activities and products have been incorporated into the project work plans. Support activities and products include: 1) training host agency counterpart personnel in specialized software applications in support of the M&E process, project management and project-specific technical analysis, 2) supporting the on-going development of technical manuals and methodological documentation, 3) organizing workshops for the civil society consultative process, 4) providing technical assistance, 5) advancing electronic inter-agency interconnectivity and information exchange and 6) aligning Compact investments in software, database design and information systems development with the 2005 National Information Society Strategic Program and the Electronic Government Action Plan.

## **7. Budget**

The original budget for the proposed M&E system implementation for the five-year term of the Compact was approximately US\$ 4.8 million. The M&E budget does not include the M&E staff (Senior Economist, M&E Officer and M&E Assistant) in the MCA-CV Management Unit whose salaries and field trips are included in the administrative budget of the Compact. The budget should not exceed the total amount over the five year compact period, but the distribution of funding between line items and years will be adjusted according to the results of the annual review of the M&E Plan. As a result of reviews to date, the revised budget has been recalculated

to US \$2.4 million. The most up-to-date version of the M&E budget is documented by MCA-CV in the detailed Financial Plan of the quarterly disbursement request package.

**Table 7 – Monitoring and Evaluation Detailed Budget**

| <b>MCA-Cape Verde Monitoring and Evaluation Budget 2005-2010 (USD)</b>                                                                        |              |                |                |                |                |                |                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| <b>Description</b>                                                                                                                            | <b>2005</b>  | <b>2006</b>    | <b>2007</b>    | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    | <b>Grand Total</b> |
| <b>Baseline Agricultural Surveys</b>                                                                                                          | 3.071        | 79.028         | 7.095          | 0              | 0              | 0              | 89.195             |
| <b>Aquifer Monitoring</b>                                                                                                                     | 0            | 0              | 0              | 47.611         | 5.389          | 16.816         | 69.816             |
| <b>Monitoring System Inter-connectivity among Intervention Agricultural Delegations</b>                                                       | 0            | 0              | 114.852        | 63.291         | 0              | 0              | 178.143            |
| <b>Implementation Consultative Process with Intervention Watersheds of Agricultural Support Project</b>                                       | 0            | 12.531         | 6.380          | 0              | 1.760          | 1.002          | 21.673             |
| <b>Data Quality Reviews</b>                                                                                                                   | 0            | 0              | 14.429         | 0              | 0              | 40.306         | 54.735             |
| <b>Hardware and Communications Equipment for Implementing Monitoring System</b>                                                               | 0            | 0              | 0              | 227.487        | 10.225         | 0              | 237.712            |
| <b>Install GIS Capability in Government Integrated Budget and Financial System (SIGOF)</b>                                                    | 0            | 23.000         | 0              | 0              | 0              | 0              | 23.000             |
| <b>National Statistical Institute Implementing Entity Agreement for Data Collection and Dissemination Services</b>                            | 0            | 0              | 0              | 235.839        | 275.740        | 366.077        | 877.656            |
| <b>M&amp;E Training of Counterpart Ministry Personnel</b>                                                                                     | 0            | 0              | 12.351         | 0              | 0              | 80.754         | 93.104             |
| <b>Drilling and Equipping Observation Well for Monitoring Water Quality in Santo Antao</b>                                                    | 0            | 0              | 0              | 0              | 15.211         | 0              | 15.211             |
| <b>Baseline Socio-economic Survey in Agricultural Intervention Zones (Poverty Profile)</b>                                                    | 0            | 12.872         | 52.339         | 740            | 710            | 0              | 66.661             |
| <b>Compact Closeout Consultancy: Qualitative Impact Evaluation of Financial Sector Reform Component of Private Sector Development Project</b> | 0            | 0              | 0              | 0              | 0              | 34.000         | 34.000             |
| <b>Compact Closeout Consultancy: Results Communications</b>                                                                                   | 0            | 0              | 0              | 0              | 0              | 40.526         | 40.526             |
| <b>Compact Closeout Consultancy: Compact Completion Report</b>                                                                                | 0            | 0              | 0              | 0              | 0              | 48.460         | 48.460             |
| <b>Compact Closeout Consultancy: Calculation of Closeout Compact/Project Economic Rate of Returns and Beneficiary Analyses</b>                | 0            | 0              | 0              | 0              | 0              | 57.625         | 57.625             |
| <b>Software for Support of Monitoring System</b>                                                                                              | 0            | 0              | 0              | 71.864         | 106.377        | 172.164        | 350.405            |
| <b>Baseline Surveys of Port of Praia Formal and Informal Sector Businesses, Wholesalers, Transport Service Providers and Employees</b>        | 0            | 0              | 0              | 0              | 4.148          | 42.840         | 46.988             |
| <b>Training: Statistical Package for the Social Sciences and Geographic Information Systems</b>                                               | 0            | 0              | 11.808         | 0              | 0              | 0              | 11.808             |
| <b>Technical Assistance for M&amp;E Diagnostic of Ministry of Health</b>                                                                      | 0            | 0              | 0              | 0              | 0              | 39.600         | 39.600             |
| <b>Technical Assistance for Definition of MCA-M&amp;E MIS System Requirements</b>                                                             | 0            | 9.800          | 0              | 0              | 0              | 0              | 9.800              |
| <b>Total</b>                                                                                                                                  | <b>3.071</b> | <b>137.232</b> | <b>219.255</b> | <b>646.832</b> | <b>419.559</b> | <b>940.169</b> | <b>2.366.117</b>   |

## ATTACHMENTS

### *Attachment 1 – Cape Verde Reporting Requirements*

Performance Reporting is conducted on a quarterly basis to track Compact progress during the Implementation Phase. For the most up to date guidance please refer to the MCC website: <http://www.mcc.gov/documents/guidance/policy-051209-mande.pdf>

The Indicator Tracking Table (ITT) Template is available at: <http://www.mcc.gov/documents/mcc-guidance-template-dr-annex05-itt.xls>. The ITT must be delivered to MCC on a quarterly basis as part of the Quarterly Disbursement Request Package.

**Attachment 2 – Process Milestones and Indicators**

| <b>Project: Private Sector Development – Credit Bureau</b>                                                                         |                                                                           |                    |                           |                                     |                                |                                                                      |                                     |
|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------|---------------------------|-------------------------------------|--------------------------------|----------------------------------------------------------------------|-------------------------------------|
| <b>Indicator</b>                                                                                                                   | <b>Definition</b>                                                         | <b>Data Source</b> | <b>Responsible Entity</b> | <b>Frequency of Data Collection</b> | <b>Targeted Milestone Date</b> | <b>Targeted Milestone Date Corresponds to Implementation Quarter</b> | <b>Status: Pending or Completed</b> |
| Signature of IEA with CSCC (Conselho Superior de Câmaras de Comércio)                                                              | Signed contract entered into effect                                       | MCA                | MCA-Cape Verde            | One time                            | 23 Jun 2008                    | 11                                                                   | Completed                           |
| Tender Documents Approved and Issued                                                                                               | Establishes Credit Bureau                                                 | MCA                | MCA-Cape Verde            | One time                            | 5 Dec 2008                     | 13                                                                   | Completed                           |
| <b>Project: Private Sector Development – Development of Microfinance Institutions</b>                                              |                                                                           |                    |                           |                                     |                                |                                                                      |                                     |
| MCA-CV Approves Institutional Development Action Plans                                                                             | Definition of actions, trainings, and activities for MFIs to be completed | MCA                | MCA-Cape Verde            | One time                            | 3 Oct 2008                     | 13                                                                   | Completed                           |
| MCA accepts Quarter 18 Progress Report (3 of 5 selected MFIs are financially sustainable and 4 of 5 are operationally sustainable) | Successful achievement of project goals for pre-selected MFIs             | MCA                | MCA-Cape Verde            | One time                            | 26 May2010                     | 19                                                                   | Completed                           |

| <b>Project: Private Sector Development – Government Securities</b>                                      |                                                                 |                    |                           |                                     |                       |                                                                     |                                     |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|--------------------|---------------------------|-------------------------------------|-----------------------|---------------------------------------------------------------------|-------------------------------------|
| <b>Indicator</b>                                                                                        | <b>Definition</b>                                               | <b>Data Source</b> | <b>Responsible Entity</b> | <b>Frequency of Data Collection</b> | <b>Milestone date</b> | <b>Milestone Target Date corresponds to implementations Quarter</b> | <b>Status: Pending or Completed</b> |
| Legislation modified permitting sale of securities to individuals                                       | Expands access to the primary market                            | MCA                | MCA-Cape Verde            | One time                            | 23 Sep2008            | 12                                                                  | Completed                           |
| New auction process approved by Ministry of Finance                                                     | Improves the market's operational environment                   | MCA                | MCA-Cape Verde            | One time                            | 31 Dec2008            | 13                                                                  | Completed                           |
| <b>Project: Water Management and Agricultural Services</b>                                              |                                                                 |                    |                           |                                     |                       |                                                                     |                                     |
| Government approves new water pricing policy                                                            | Unit consumption charge established for irrigation use          | MCA                | MCA-Cape Verde            | One time                            | 29Aug 2008            | 12                                                                  | Completed                           |
| Completion and equipping of rural extension centers in all three watersheds (Paul, Fajã, and Mosteiros) | Technical assistance available to Islands' farmers              | MCA                | MCA-Cape Verde            | One time                            | 30 Sep2008            | 12                                                                  | Completed                           |
| Construct and equip post harvest center in Santo Antão island                                           | Agricultural marketing services available to Santo Antão Island | MCA                | MCA-Cape Verde            | One time                            | 30 Oct2009            | 17                                                                  | Completed                           |

| <b>Project: Roads Rehabilitation</b>                                           |                                         |                    |                           |                                     |                       |                                                                     |                                     |
|--------------------------------------------------------------------------------|-----------------------------------------|--------------------|---------------------------|-------------------------------------|-----------------------|---------------------------------------------------------------------|-------------------------------------|
| <b>Indicator</b>                                                               | <b>Definition</b>                       | <b>Data Source</b> | <b>Responsible Entity</b> | <b>Frequency of Data Collection</b> | <b>Milestone date</b> | <b>Milestone Target Date corresponds to implementations Quarter</b> | <b>Status: Pending or Completed</b> |
| All Compromise Agreements signed for Road 1                                    | Allows construction for Road 1 to begin | MCA                | MCA-Cape Verde            | One time                            | 30 Jun2008            | 11                                                                  | Completed                           |
| All Compromise Agreements signed or Expropriation process completed for Road 2 | Allows construction for Road 2 to begin | MCA                | MCA-Cape Verde            | One time                            | 31 Jul2008            | 12                                                                  | Completed                           |

| <b>Project: Port of Praia – Phase 1</b>       |                                                                         |                    |                           |                                     |                       |                                                                     |                                     |
|-----------------------------------------------|-------------------------------------------------------------------------|--------------------|---------------------------|-------------------------------------|-----------------------|---------------------------------------------------------------------|-------------------------------------|
| <b>Indicator</b>                              | <b>Definition</b>                                                       | <b>Data Source</b> | <b>Responsible Entity</b> | <b>Frequency of Data Collection</b> | <b>Milestone date</b> | <b>Milestone Target Date corresponds to implementations Quarter</b> | <b>Status: Pending or Completed</b> |
| Contract for Phase I Works Signed             | Engineering Construction Firm officially contracted to complete Phase 1 | MCA                | MCA-Cape Verde            | One time                            | 31 Jul 2008           | 12                                                                  | Completed                           |
| BCEOM Submits Final Design for Phase II Works | Phase II designs and MCA obligation for Phase II complete               | MCA                | MCA-Cape Verde            | One time                            | 7 Aug 2008            | 12                                                                  | Completed                           |
| Site Installation Complete                    | Prepares Phase I works to begin                                         | MCA                | MCA-Cape Verde            | One time                            | 23 Oct2008            | 13                                                                  | Completed                           |

*Attachment 3 – Indicator Definition Tables and Performance Tracking Tables***Indicator Definition Table: Watershed Management and Agricultural Support Project**

| Objectives                       | Indicators                                                               | Definition of Indicators                                                                                                                                 | Units | Source                                                       | Methodology                                                                                                                                                          | Frequency of Data Reporting to MCC | Responsible Party |
|----------------------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------|
| Sustainable Watershed Management | Volume of water available                                                | Captured surface water plus water available through new wells from MCA project                                                                           | m3    | Annual reports by DGASP. Monthly monitoring report by INGRH. | Standard calculations done by DGASP based on existing infrastructure including reservoirs, wells, etc                                                                | Annually                           | INGRH             |
|                                  | Tons of solid material retained through soil conservation infrastructure | Tons of solid material retained with rural infrastructure for soil conservation and water catchment through torrential correction dikes from MCA project | Tons  | Annual Report                                                | Monitoring<br>DGASP has a standard calculation for "tons retained" based on information provided by the Delegations on the completion of infrastructure construction | Annually                           | DGASP (Central)   |



**Indicator Definition Table: Watershed Management and Agricultural Support Project**

| Objectives                                                   | Indicators             | Definition of Indicators                                                                                                                                                                                                                                                            | Units                                                | Source                                                                                                             | Methodology                                                                                                                                               | Frequency of Data Reporting to MCC | Responsible Party |
|--------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------|
| Increase Agricultural Productivity in the Intervention Areas | Productivity           | Average yield per production cycle for horticulture products across the three intervention areas. Horticulture includes the following products: tomato, onion, carrot, cabbage, bell pepper, cucumber, cauliflower, parsley, hot pepper, squash, potato, sweet potato, and cassava. | Tons per hectare                                     | MCA Watershed Baseline Survey 2006, MCA Seasonal Surveys 2008/9 and 2009/10; MCA Socio-economic Final Survey 2010. | Agriculture Cycle Surveys based on a randomized representative sample of the baseline survey. End-of-Compact exhaustive survey of the intervention zones. | Annually (Q4 to Q20)               | INE/MADRRM        |
|                                                              | Value-added for farms. | Value-added for farms is defined as "Farm profits plus wages from the drip irrigation activities in the intervention areas."                                                                                                                                                        | 2007 thousands of US dollars, exchange rate adjusted | MCA Watershed Baseline Survey 2006, MCA Seasonal Surveys 2008/9 and 2009/10; MCA Socio-economic Final Survey 2010. | Agriculture Cycle Surveys based on a randomized representative sample of the baseline survey. End-of-Compact exhaustive survey of the intervention zones. | Annually (Q4 to Q20)               | INE/MADRRM        |
|                                                              | Number of crop cycles  | Average number of crop cycles attained by farmers cultivating horticulture with drip irrigation and technical assistance in the intervention watershed                                                                                                                              | Number                                               | MCA Watershed Baseline Survey 2006, MCA Seasonal Surveys 2008/9 and 2009/10; MCA Socio-economic Final Survey 2010. | Agriculture Cycle Surveys based on a randomized representative sample of the baseline survey. End-of-Compact exhaustive survey of the intervention zones. | Annually (Q4 to Q20)               | INE/MADRRM        |

**Indicator Definition Table: Watershed Management and Agricultural Support Project**

| Objectives                   | Indicators                                              | Definition of Indicators                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Units       | Source                                                                   | Methodology                                                              | Frequency of Data Reporting to MCC                           | Responsible Party        |
|------------------------------|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------|
| Increase Productive Capacity | Number of farmers that have applied improved techniques | Total number of farmers or rural entrepreneurs that are applying new production or managerial techniques introduced or supported by MCC, such as input use, production techniques, irrigation, post harvest treatment, and farm management techniques.                                                                                                                                                                                                                             | Number      | MCA Socio-economic Survey 2012.                                          | Final                                                                    | End-of- Compact exhaustive survey of the intervention zones. | End-of-Compact (Q20) INE |
|                              | Number of farmers adopting drip irrigation              | Number of farmers adopting drip irrigation through the MCA WMAS project in the intervention watersheds                                                                                                                                                                                                                                                                                                                                                                             | Number      | Monthly progress report from Agriculture Management Firm and Delegations | Administrative form submitted by the Delegations every month             | Quarterly                                                    | MADRRM-DGASP Delegations |
|                              | Percent of contracted irrigation works disbursed        | Total amount of all signed construction contracts for agricultural irrigation investments disbursed divided by total value of all contracts awarded. Denominator = Value of signed contracts for construction as defined above. Numerator = Amount of money disbursed on these contracts. This is a proxy indicator for completion. However, since the numerator includes industry standard advance payments and mobilization fees, it does not correlate perfectly with progress. | Percent (%) | MCA contractual agreements and supervisor progress reports.              | Regular assessment of contracts, financial reports, and payment records. | Quarterly                                                    | MCA                      |

|                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |               |                                                             |                                                                          |           |     |
|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------|--------------------------------------------------------------------------|-----------|-----|
| Value of irrigation construction contracts signed             | Total value of all signed construction contracts for agricultural irrigation investments including boreholes (monitoring and production), re-equipping production wells, construction of dikes, reservoirs and main water distribution systems. If the value of a contract changes, the amount of the change (either + or -) should be reported in the quarter where the change occurred. Cost sharing by others (e.g., co financing by other donors or government) should not be included. | \$ US         | MCA contractual agreements and supervisor progress reports. | Regular assessment of contracts, financial reports, and payment records. | Quarterly | MCA |
| USD value disbursed against irrigation works contracts signed | Total value of all signed construction contracts for agricultural irrigation investments including boreholes (monitoring and production), re-equipping production wells, construction of dikes, reservoirs and main water distribution systems disbursed                                                                                                                                                                                                                                    | Millions \$US | MCA contractual agreements and supervisor progress reports. | Regular assessment of contracts, financial reports, and payment records. | Quarterly | MCA |

|                                              |                                                                                                                                                               |          |                                                                                                                                                 |         |                                                                                                                                                                                           |                       |                                          |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------|
| Hectares under production                    | Total number of hectares under agricultural production with MCC support, including irrigation systems, agricultural inputs, credits, or technical assistance. | Hectares | MCA Socio-economic Survey 2012.                                                                                                                 | Final   | End-of- Compact exhaustive survey of the intervention zones.                                                                                                                              | End-of-Compact (Q20)  | INE                                      |
| Hectares under improved or new irrigation    | Total number of hectares irrigated with drip irrigation through the MCA WMAS in the intervention zones.                                                       | Hectares | MCA Watershed Baseline Survey 2006, MCA Seasonal Surveys 2008/9 and 2009/10; Monthly Progress Reports and MCA Socio-economic Final Survey 2010. |         | Agriculture Cycle Surveys based on a randomized representative sample of the baseline survey. Data collection by contractor. End-of- Compact exhaustive survey of the intervention zones. | Quarterly (Q16 - Q20) | INE/ MADRRM – DGASP Delegations and DSSA |
| Reservoirs constructed                       | Number of reservoirs constructed through the MCA WMAS in the intervention watersheds                                                                          | Number   | Monthly Progress Reports                                                                                                                        |         | Data collection by contractor.                                                                                                                                                            | Quarterly (Q12 - Q20) | MADRRM - DGASP Delegations               |
| Number of farmers trained                    | Number of farmers trained in at least 3 of 5 core disciplines through the MCA MAAP extension program                                                          | Number   | Monthly progress report from Agriculture Management Firm and Delegations                                                                        | Project | Administrative form submitted by the Delegations every month                                                                                                                              | Quarterly             | MAAP- DGASP Delegations                  |
| Number of farmers trained in drip irrigation | Number of farmers trained in drip irrigation discipline through the MCA MAAP extension program                                                                | Number   | Monthly progress report from Agriculture Management Firm and Delegations                                                                        | Project | Administrative form submitted by the Delegations every month                                                                                                                              | Quarterly             | MAAP- DGASP Delegations                  |

### Indicator Definition Table: Watershed Management and Agricultural Support Project

| Objectives                                  | Indicators                                                                              | Definition of Indicators                                                                                                        | Units                                   | Source              | Methodology                      | Frequency of Data Reporting to MCC | Responsible Party            |
|---------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------|----------------------------------|------------------------------------|------------------------------|
| Increase Financial Capacity of Participants | USD Value of agricultural and rural loans                                               | Total volume of loans to farmers and agribusinesses by micro-finance institutions for MCA WMAS agricultural production.         | 2006 US Dollars, exchange rate adjusted | MFI's Annual Report | Consolidated MFIs' Balance Sheet | Quarterly                          | Caixa Economica / MFIs       |
|                                             | Number of new loans disbursed - agriculture: All Watersheds (Paul, Faja, and Mosteiros) | Total number of loans to farmers and agribusinesses by micro-finance institutions for MCA WMAS agricultural production.         | 2006 US Dollars, exchange rate adjusted | MFI's Annual Report | Consolidated MFIs' Balance Sheet | Quarterly                          | Caixa Economica / MFIs       |
|                                             | Portfolio Risk above 90 days                                                            | The value of loans to farmers and agribusinesses by micro-finance institutions for MCA WMAS agricultural production outstanding | %                                       | MFI's Annual Report | Consolidated MFIs' Balance Sheet | Quarterly                          | MCA / Caixa Economica / MFIs |

|  |  |                                                                                                                                                 |
|--|--|-------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  | that have one<br>or more<br>installments<br>of principal<br>past due<br>more than 90<br>days divided<br>by the total<br>Gross Loan<br>Portfolio |
|--|--|-------------------------------------------------------------------------------------------------------------------------------------------------|

## Performance Tracking Table: Watershed Management and Agricultural Support Project

| Objective                                                    | Indicators                                                                             | Baseline | Annual Targets |   |       |         |         | Compact Total |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------|----------|----------------|---|-------|---------|---------|---------------|
|                                                              |                                                                                        |          | Year           |   |       |         |         |               |
|                                                              |                                                                                        |          | 1              | 2 | 3     | 4       | 5       |               |
| Sustainable Watershed Management                             | <u>Volume of Available Water (Cubic Meters)</u>                                        | 0        |                |   | 6,600 | 232,600 | 226,600 | 465,800       |
|                                                              | Paul (SA)                                                                              | 0        |                |   | 6,600 | 219,600 | 213,600 | 439,800       |
|                                                              | Faja (SN)                                                                              | 0        |                |   |       | 6,000   | 6,000   | 12,000        |
|                                                              | Mosteiros (FG)                                                                         | 0        |                |   |       | 7,000   | 7,000   | 14,000        |
|                                                              | <u>Tons of solid material retained through soil conservation infrastructure (Tons)</u> | 0        |                |   | 8,688 | 16,864  |         | 25,552        |
|                                                              | Paul (SA)                                                                              | 0        |                |   | 3,995 | 7,755   |         | 11,750        |
|                                                              | <i>Torrential correction dikes</i>                                                     | 0        |                |   | 3,995 | 7,755   |         | 11,750        |
|                                                              | Faja (SN)                                                                              | 0        |                |   | 1,505 | 2,922   |         | 4,427         |
|                                                              | <i>Torrential correction dikes</i>                                                     | 0        |                |   | 1,505 | 2,922   |         | 4,427         |
|                                                              | Mosteiros (FG)                                                                         | 0        |                |   | 3,187 | 6,187   |         | 9,375         |
|                                                              | <i>Torrential correction dikes</i>                                                     | 0        |                |   | 1,940 | 3,767   |         | 5,707         |
|                                                              | <i>Small Dikes</i>                                                                     | 0        |                |   | 1,247 | 2,421   |         | 3,668         |
| Increase Agricultural Productivity in the Intervention Zones | <u>Productivity: Horticulture (tons/ha)</u>                                            |          |                |   |       |         |         |               |
|                                                              | Paul (SA)                                                                              | 5.9      |                |   |       |         | 9.4     | 9.4           |
|                                                              | Faja (SN)                                                                              | 10.2     |                |   |       |         | 14.3    | 14.3          |
|                                                              | Mosteiros (FG)                                                                         | 8.0      |                |   |       |         | 11.1    | 11.1          |
|                                                              | <u>Value added for farms (thousands of US dollars)</u>                                 | 67.7     |                |   |       | 508.7   | 729.6   | 729.6         |
|                                                              | Paul (SA)                                                                              | 55.2     |                |   |       | 130.0   | 204.3   | 204.3         |
|                                                              | Faja (SN)                                                                              | 8.4      |                |   |       | 251.9   | 335.1   | 335.1         |
|                                                              | Mosteiros (FG)                                                                         | 4.1      |                |   |       | 126.8   | 190.2   | 190.2         |
|                                                              | <u>Number of crop cycles (number)</u>                                                  | 1.33     |                |   |       | 2.00    | 2.00    | 2.00          |
|                                                              | Paul (SA)                                                                              | 2.00     |                |   |       | 3.00    | 3.00    | 3.00          |
|                                                              | Faja (SN)                                                                              | 1.00     |                |   |       | 1.50    | 1.50    | 1.50          |
|                                                              | Mosteiros (FG)                                                                         | 1.00     |                |   |       | 1.50    | 1.50    | 1.50          |

\*\*Compact Total not applicable - indicator is a point in time value, not cumulative





### Performance Tracking Table: Watershed Management and Agricultural Support Project

| Objective                    | Indicators                                                 | Annual Targets |      |   |     |      |      |
|------------------------------|------------------------------------------------------------|----------------|------|---|-----|------|------|
|                              |                                                            | Baseline       | Year |   |     |      |      |
|                              |                                                            |                | 1    | 2 | 3   | 4    | 5    |
| Increase Productive Capacity | <u>Number of farmers adopting drip irrigation (number)</u> | 0              |      |   | 109 | 228  | 337  |
|                              | Paul (SA)                                                  | 0              |      |   | 109 | 120  | 229  |
|                              | Faja (SN)                                                  | 0              |      |   |     | 59   | 59   |
|                              | Mosteiros (FG)                                             | 0              |      |   |     | 49   | 49   |
|                              | <u>Hectares Under Improved or New Irrigation (Ha)</u>      | 0              |      |   |     | 74.8 | 36.4 |
|                              | Paul (SA)                                                  | 0              |      |   |     | 36.6 | 20.9 |
|                              | Faja (SN)                                                  | 0              |      |   |     | 22.1 | 7.4  |
|                              | Mosteiros (FG)                                             | 0              |      |   |     | 16.2 | 8.1  |
|                              | <u>Reservoirs constructed (number)</u>                     | 0              |      |   | 11  | 17   | 28   |
|                              | Paul (SA)                                                  | 0              |      |   | 8   | 5    | 13   |
|                              | Faja (SN)                                                  | 0              |      |   | 2   | 6    | 8    |
|                              | Mosteiros (FG)                                             | 0              |      |   | 1   | 6    | 7    |
|                              | <u>Number of farmers trained (number)</u>                  | 0              |      |   | 100 | 400  | 300  |
|                              | Paul (SA)                                                  | 0              |      |   | 50  | 150  | 125  |
|                              | Faja (SN)                                                  | 0              |      |   | 25  | 125  | 75   |
|                              | Mosteiros (FG)                                             | 0              |      |   | 25  | 125  | 100  |

### Performance Tracking Table: Watershed Management and Agricultural Support Project

| Objective                      |              | Indicators                                                                   | Baseline | Annual Targets |    |     |        |         |               |
|--------------------------------|--------------|------------------------------------------------------------------------------|----------|----------------|----|-----|--------|---------|---------------|
|                                |              |                                                                              |          | Year           |    |     |        |         | Compact Total |
|                                |              |                                                                              |          | 1              | 2  | 3   | 4      | 5       |               |
| Increase Capacity Participants | Financial of | USD Value of Agricultural and Rural Loans (USD)                              | 0        |                |    |     | 56,250 | 543,750 | 600,000       |
|                                |              | Portfolio Risk Above 90 days (%)                                             | 0%       |                |    |     |        | 5%      | 5%            |
|                                |              | Number of new loans disbursed (number)                                       | 0        |                |    |     | 45     | 195     | 240           |
|                                |              | Number of farmers that have applied improved techniques (number)             | 0        |                |    |     |        | 480     | 480           |
|                                |              | Percent of contracted irrigation construction works disbursed (%)            | 0        |                | 1% | 33% | 100%   |         | 100%          |
|                                |              | USD value of irrigation construction contracts signed (millions USD)         |          |                |    |     |        |         | NA            |
|                                |              | USD value disbursed against irrigation works contracts signed (millions USD) |          |                |    |     |        |         | NA            |
|                                |              | Number of farmers trained in drip in irrigation (number)                     | 0        |                |    |     |        | 640     | 640           |
|                                |              | Hectares under production (Ha)                                               | 0        |                |    |     |        | 319.8   | 319.8         |

**Indicator Definition Table: Port of Praia Project**

| Objectives                                                                                     | Indicators                                                                                                                  | Definition of Indicators                                                                                                                   | Units         | Source                                              | Methodology                                                              | Frequency of Data Reporting to MCC | Responsible Party |
|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------------------------------------|--------------------------------------------------------------------------|------------------------------------|-------------------|
| Improve the fixed assets of the Port of Praia<br>Improve the fixed assets of the Port of Praia | Port of Praia: Percent of contracted works disbursed                                                                        | Amount of contracted works disbursed to implementer divided by total value of Port works contracts signed.                                 | %             | MCA contractual agreements and supervisory reports. | Regular assessment of contracts, financial reports, and payment records. | Quarterly                          | MCA               |
|                                                                                                | USD value of Port works contracts signed                                                                                    | The value in \$US of all contracts that MCAs have signed with contractors to implement Port works                                          | Millions \$US | MCA contractual agreements and supervisory reports. | Regular assessment of contracts, financial reports, and payment records. | Quarterly                          | MCA               |
|                                                                                                | USD value of Port works contracts disbursed                                                                                 | The value in \$US of contracted Port works disbursed to implementer                                                                        | Millions \$US | MCA contractual agreements and supervisory reports. | Regular assessment of contracts, financial reports, and payment records. | Quarterly                          | MCA               |
|                                                                                                | Percent of contracts for Port feasibility, design, supervision and program management signed works disbursed against signed | The aggregate amount disbursed divided by all signed contracts to develop feasibility, design studies and/or program management            | %             | MCA contractual agreements and supervisory reports. | Regular assessment of contracts, financial reports, and payment records. | Quarterly                          | MCA               |
|                                                                                                | USD value of contracts for Port feasibility, design, supervision and program management signed                              | The value in \$US of all contracts that MCAs have signed with contractors to develop feasibility, design studies and/or program management | Millions \$US | MCA contractual agreements and supervisory reports. | Regular assessment of contracts, financial reports, and payment records. | Quarterly                          | MCA               |
|                                                                                                | USD value of contracts for Port feasibility, design, supervision and                                                        | The value in \$US disbursed for all contracts to develop feasibility, design studies and/or program management                             | Millions \$US | MCA contractual agreements and supervisory reports. | Regular assessment of contracts, financial reports, and payment records. | Quarterly                          | MCA               |

|                                    |
|------------------------------------|
| program<br>management<br>disbursed |
|------------------------------------|

### Performance Tracking Table: Port of Praia Project - Phase I

| Objective                                     | Indicator                                                                                                                       | Annual Targets |      |   |       |       |       |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|----------------|------|---|-------|-------|-------|
|                                               |                                                                                                                                 | Baseline       | Year |   |       |       |       |
|                                               |                                                                                                                                 |                | 1    | 2 | 3     | 4     | 5     |
| Improve the Fixed Assets of the Port of Praia | Port of Praia: Percent of contracted works disbursed (%)                                                                        | 0.0%           |      |   | 49%   | 100%  | 100%  |
|                                               | USD value of Port works contracts signed (millions USD)                                                                         | 0              |      |   |       |       | NA    |
|                                               | USD value of Port works contracts disbursed (millions USD)                                                                      | 0              |      |   | 17.18 | 44.03 | 44.03 |
|                                               | Percent of contracts for Port feasibility, design, supervision and program management signed works disbursed against signed (%) | 0%             |      |   | 49%   | 100%  | 100%  |
|                                               | USD value of contracts for Port feasibility, design, supervision and program management signed (millions USD)                   | 0              |      |   |       |       | NA    |
|                                               | USD value of contracts for Port feasibility, design, supervision and program management disbursed (millions USD)                | 0              |      |   |       |       | NA    |

### Indicator Definition Table: Roads and Bridges Project

| Objective                                                              | Indicators                                                                                                       | Definition of Indicators                                                                                                                                                                                                                                                                                                                                 | Units                                     | Source               | Methodology           | Frequency of Data Reporting to MCC                 | Responsible Party |
|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------|-----------------------|----------------------------------------------------|-------------------|
| Increase Integration of the Internal Market and Reduce Transport Costs | Mobility ratio - "Percentage of beneficiary population who take at least 5 trips per month"                      | Percentage of beneficiary population who take at least 5 trips per month. Beneficiaries are those living within 2 kilometers of the road. Trips include trips to school, health centers, markets, workplace, and other locations as defined in the World Bank's socio-economic baseline survey. Trip frequency should be cross analyzed by vehicle type. | %                                         | IDIQ Evaluation Firm | Socio-economic survey | Approximately 1 year after finishing each activity | MIT               |
|                                                                        | Travel time ratio - "Percentage of beneficiary population further than 30 minutes from a central or mini-market" | Percentage of beneficiary population who travel more than 30 minutes from central or mini market. Beneficiaries are those living within 2 kilometers of the road.                                                                                                                                                                                        | %                                         | IDIQ Evaluation Firm | Socio-economic survey | Approximately 1 year after finishing each activity | MIT               |
|                                                                        | Savings on transport costs from upgraded roads and bridge improvements                                           | The savings on vehicle operating costs are calculated using the RED model for roads (1) Orgãos-Pedra Badejo, (2) Cruz Grand-Calhetona, and (4) Assomada-Rincão. An alternative methodology is used for bridge construction, which estimates the benefit as recouping wages foregone by bridge closures.                                                  | 2006 \$US million, exchange rate adjusted | IDIQ Evaluation Firm | Socio-economic survey | Approximately 1 year after finishing each activity | MIT               |

**Indicator Definition Table: Roads and Bridges Project**

| Objective                       | Indicators                                                                                                  | Definition of Indicators                                                                                                                                                                                                                                                                       | Units          | Source                                              | Methodology                                                              | Frequency of Data Reporting to MCC                 | Responsible Party |
|---------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------|--------------------------------------------------------------------------|----------------------------------------------------|-------------------|
| Improve Rural Transport Network | Number of days per year that bridges are <u>not</u> passable                                                | Estimated number of days per year that bridges are not passable                                                                                                                                                                                                                                | Number of days | IDIQ Evaluation Firm                                | Socio-economic survey                                                    | Approximately 1 year after finishing each activity | MIT               |
|                                 | Kilometers (km) of roads/bridges under design                                                               | The length of roads/bridges in kilometers under design contracts. This may include building new roads/ bridges, modifying existing roads/bridges, reconstruction, rehabilitation, resurfacing or upgrading.                                                                                    | Km             | MCA contractual agreements and supervisory reports. | Regular assessment of contracts, financial reports, and payment records. | Quarterly                                          | MCA-CV            |
|                                 | USD value of Road/Bridges works feasibility, design, supervision and program management contracts signed    | The value in \$US of all contracts that MCAs have signed with contractors to develop feasibility and/or design studies for systems of roads/bridges. If the value of the contract changes, the amount of the change (either + or -) should be reported in the quarter that the change occurred | Millions \$ US | MCA contractual agreements and supervisory reports. | Regular assessment of contracts, financial reports, and payment records. | Quarterly                                          | MCA-CV            |
|                                 | USD value of Road/Bridges works feasibility, design, supervision and program management contracts disbursed | Amount of money disbursed on the signed contracts to develop feasibility and/or design studies for systems of roads/bridges                                                                                                                                                                    | Millions \$ US | MCA contractual agreements and supervisory reports. | Regular assessment of contracts, financial reports, and payment records. | Quarterly                                          | MCA-CV            |

|                                                        |                                                                                                                                                                                                                                                                                                                                                                                |                |                                                     |                                                                                               |           |        |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------|--------|
| Percent disbursed for contracted Roads/Bridges studies | The aggregate amount disbursed divided by all signed contracts to develop feasibility and/or design studies for systems of roads/bridges. Denominator = Value of signed contracts for studies as defined above. Numerator = Amount of money disbursed on the signed contracts for roads/bridges studies. This is a proxy indicator for completion.                             | %              | MCA contractual agreements and supervisory reports. | Regular assessment of contracts, financial reports, and payment records.                      | Quarterly | MCA-CV |
| USD value of Road/Bridges contracts signed             | The value in US\$ of all contracts that MCAs have signed with contractors for construction of new or rehabilitated roads/bridges. If the value of the contract changes, the amount of the change (either + or -) should be reported in the quarter that the change occurred. Cost sharing by others (e.g., co financing by other donors or government) should not be included. | Millions \$ US | MCA contractual agreements and supervisory reports. | Regular assessment of contracts, financial reports, and payment records.                      | Quarterly | MCA-CV |
| USD value of Road/Bridges works contracts disbursed    | Amount of money disbursed on the signed contracts for roads/bridges works                                                                                                                                                                                                                                                                                                      | Millions \$ US | MCA contractual agreements and supervisory reports. | Regular assessment of contracts, supervision reports, financial reports, and payment records. | Quarterly | MCA-CV |

|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |                                                     |                                                                                               |           |        |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-----------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------|--------|
| Percent of contracted Roads/Bridges works disbursed | <p>The aggregate amount disbursed divided by all signed contracts for construction of new or rehabilitated Roads/Bridges. Denominator = Value of signed contracts for roads works as defined above. Numerator = Amount of money disbursed on the signed contracts for roads/bridges works. This is a proxy indicator for physical completion of road/bridges works. However, since the numerator includes industry standard advance payments and mobilization fees, it does not correlate perfectly with physical progress. If the value of the contract changes, the amount of the change (either + or -) should be reported in the quarter that the change occurred.</p> <p>Cost sharing by others (e.g., co financing by other donors or government) should not be included.</p> | %  | MCA contractual agreements and supervisory reports. | Regular assessment of contracts, supervision reports, financial reports, and payment records. | Quarterly | MCA-CV |
| Kilometers (km) of roads completed                  | The length of roads/bridges in kilometers on which construction or rehabilitation is complete.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Km | Supervisory firm's report                           | Regular assessment of contracts, financial reports, and payment records.                      | Quarterly | MCA-CV |



|  |                                                        |                                                                                                                                                                                                                                                                             |        |                           |                                                                          |                                                    |        |
|--|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|---------------------------|--------------------------------------------------------------------------|----------------------------------------------------|--------|
|  | Kilometers (km) of Roads/Bridges under works contracts | The length of roads/bridges in kilometers under works contract for construction or rehabilitation. This may include building new roads/bridges or modifying existing roads/bridges.                                                                                         | Km     | Supervisory firm's report | Regular assessment of contracts, financial reports, and payment records. | Quarterly                                          | MCA-CV |
|  | Roughness                                              | Measure of the roughness of the road/bridge surface, in meters height per kilometer of distance traveled. This is measured by either an IRI machine or taking the maximum speed that a vehicle can travel on a road/bridge and finding the corresponding roughness measure. | IRI    | IDIQ Evaluation Firm      | Socio-economic survey                                                    | Approximately 1 year after finishing each activity | MIT    |
|  | Average Annual Daily Traffic                           | Average number of vehicles per day, averaged over different times (day and night) and over different seasons to arrive at an annualized daily average.                                                                                                                      | Number | IDIQ Evaluation Firm      | Socio-economic survey                                                    | Approximately 1 year after finishing each activity | MIT    |

| Performance Tracking Table: Roads and Bridges Project               |                                                                                                                       |          |                |      |   |    |      |               |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------|----------------|------|---|----|------|---------------|
| Objective                                                           | Indicator                                                                                                             | Baseline | Annual Targets |      |   |    |      |               |
|                                                                     |                                                                                                                       |          | Year           |      |   |    |      | Compact Total |
|                                                                     |                                                                                                                       |          | 1              | 2    | 3 | 4  | 5    |               |
| Increase integration of internal markets and reduce transport costs | Mobility Ratio - "Percentage of beneficiary population who take at least 5 trips per month" (%)                       | 52%      |                |      |   |    | 65%  | 65%           |
|                                                                     | Travel Time Ratio - "Percentage of beneficiary population further than 30 minutes from nearest market" (%)            | 54%      |                |      |   |    | 48%  | 48%           |
|                                                                     | Savings on transport cost from upgraded roads and bridge improvements (millions USD)                                  | 0.0      |                |      |   |    | 1.9  | 1.9           |
| Improve rural transport network                                     | Number of days per year that bridges are <u>not</u> passable (days)                                                   | 8        |                |      |   | 0  |      | 0             |
|                                                                     | Kilometers (km) of roads completed                                                                                    | 0        |                |      |   | 24 | 15.3 | 39.3          |
|                                                                     | Kilometers (km) of Roads/Bridges under design                                                                         | 0        |                | 63.4 |   |    |      | 63.4          |
|                                                                     | Kilometers (km) of Roads/Bridges under works contracts                                                                | 0        |                |      |   |    | 40.6 | 40.6          |
|                                                                     | USD Value of Roads/Bridges works feasibility, design, supervision and program mgmt contracts signed (millions USD)    | 0        |                |      |   |    |      | NA            |
|                                                                     | USD Value of Roads/Bridges works feasibility, design, supervision and program mgmt contracts disbursed (millions USD) | 0        |                |      |   |    |      | NA            |
|                                                                     | Percent disbursed for contracted studies (%)                                                                          | 0%       |                |      |   |    | 100% | 100%          |
|                                                                     | USD Value of Road/Bridges works contracts signed (millions USD)                                                       | 0        |                |      |   |    |      | NA            |
|                                                                     | USD Value of Roads/Bridges works contracts disbursed (millions USD)                                                   | 0        |                |      |   |    |      | NA            |
|                                                                     | Percent of contracted Roads/Bridges works disbursed (%)                                                               | 0%       |                |      |   |    | 100% | 100%          |
|                                                                     | Roughness Road 1 (Orgãos - Pedra Badejo) (IRI)                                                                        | 19       |                |      |   |    | 2    | 2             |
|                                                                     | Roughness Road 2 (Cruz Grande - Calhetona) (IRI)                                                                      | 18       |                |      |   |    | 2    | 2             |
|                                                                     | Roughness Road 4 (Assomada - Rincão) (IRI)                                                                            | 20.7     |                |      |   |    | 2    | 2             |

|                                                                                        |      |     |     |
|----------------------------------------------------------------------------------------|------|-----|-----|
| Roughness Road 4A (Assomada - Chã de Tanque) (IRI)                                     | 20.7 | 2   | 2   |
| Roughness Road 4B (Chã de Tanque - Rincão) (IRI)                                       | 20.7 | 2   | 2   |
| Roughness Road Vila das Pombas - Eito (Bridge B + Road Eito) (IRI)                     | 18   | 10  | 10  |
| Average Annual Daily Traffic Road 1 (Orgãos - Pedra Badejo) (days)                     | 298  | 375 | 375 |
| Average Annual Daily Traffic Road 2 (Cruz Grande - Calhetona) (days)                   | 440  | 554 | 554 |
| Average Annual Daily Traffic Road 4 (Assomada – Rincão) (days)                         | 543  | 684 | 684 |
| Average Annual Daily Traffic Road 4A (Assomada – Chã de Tanque) (days)                 | 46   | 58  | 58  |
| Average Annual Daily Traffic Road 4B (Chã de Tanque – Rincão) (days)                   | 497  | 626 | 626 |
| Average Annual Daily Traffic Bridge Ribeira Grande – Paul (days)                       | 552  | 695 | 695 |
| Average Annual Daily Traffic Bridge Ribeira da Torre - Ponta de Sol (days)             | 765  | 963 | 963 |
| Average Annual Daily Traffic Bridge A Paul (Vila das Pombas) (days)                    | 671  | 845 | 845 |
| Average Annual Daily Traffic Road Vila das Pombas - Eito (Bridge B + Road Eito) (days) | 410  | 517 | 517 |

**Indicator Definition Table: Private Sector Development Project**

| Objectives                             | Indicators                                    | Definition of Indicators                                                                                                                                                                                            | Units          | Source                                 | Methodology               | Frequency of Data Reporting to MCC | Responsible Party |
|----------------------------------------|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------|---------------------------|------------------------------------|-------------------|
| Increase Financial Intermediation      | MFI Gross Loan portfolio                      | All outstanding principal for all outstanding client loans, including current, delinquent and restructured loans, but not loans that have been written off. Does not include interest receivable or employee loans. | Thousand \$ECV | MFI Provider<br>MFI's quarterly Report | TA /<br>Quarterly reports | Quarterly                          | MCA Contractor /  |
|                                        | MFI Gross Loan portfolio, adjusted            | Gross Loan portfolio adjusted 180 days                                                                                                                                                                              | Thousand \$ECV | MFI Provider<br>MFI's quarterly Report | TA /<br>Quarterly reports | Quarterly                          | MCA Contractor /  |
| Decrease Risk                          | MFI Portfolio at Risk above 30 days, adjusted | The value of all loans outstanding that have one or more installments of principal past due more than 30 days divided by the total Gross Loan Portfolio, adjusted 180 days                                          | %              | MFI Provider<br>MFI's quarterly Report | TA /<br>Quarterly reports | Quarterly                          | MCA Contractor /  |
|                                        | Ratio of MFIs Operationally Self-Sufficient   | Number of MFIs out of all MFIs operating on their own after benefiting from MCA-CV Technical Assistance.                                                                                                            | Ratio          | Microfinance Contractor's report       | Annual reports            | Annually                           | MCA Contractor /  |
| Increase Overall Financial Performance | Ratio of MFIs Financially Self-Sufficient     | Number of MFIs out of all MFIs generating profit (net income) from micro-credit activities after benefiting from MCA-CV Technical Assistance.                                                                       | Ratio          | Microfinance Contractor's report       | Annual reports            | Annually                           | MCA Contractor /  |

**Performance Tracking Table: Private Sector Development Project**

| Objective                              | Indicator                                           | Baseline | Annual Targets |   |         |         |         | Compact Total |
|----------------------------------------|-----------------------------------------------------|----------|----------------|---|---------|---------|---------|---------------|
|                                        |                                                     |          | Year           |   |         |         |         |               |
|                                        |                                                     |          | 1              | 2 | 3       | 4       | 5       |               |
| Increase Financial Intermediation      | MFI Gross Loan portfolio (Thousand \$ECV)           | 223,101  |                |   | 256,000 | 287,000 | 323,000 | 323,000       |
|                                        | MFI Gross Loan portfolio, adjusted (Thousand \$ECV) | 152,528  |                |   | 175,000 | 194,000 | 222,000 | 222,000       |
| Decrease Risk                          | MFI Portfolio at Risk above 30 days, adjusted (%)   | 16%      | 16%            |   |         |         | 14%     | 14%           |
| Increase Overall Financial Performance | Ratio of MFIs Operationally Self-Sufficient (ratio) | 2/5      |                |   |         |         | 4/5     | 4/5           |
|                                        | Ratio of MFIs Financially Self-Sufficient (ratio)   | 0/5      |                |   |         |         | 3/5     | 3/5           |

#### ***Attachment 4 – Monitoring & Evaluation Officer Duties and Responsibilities***

**MONITORING AND EVALUATION OFFICER:** The Monitoring and Evaluation Analyst will be responsible for the overall M&E system of the Program and implementation of related activities for each project, as well as providing timely and relevant information to all program stakeholders. This position reports to the Senior Economist of MCA-Cape Verde. Specific responsibilities include:

- Guide the set up of the M&E system and strategy, including data-collection, data-analysis and reporting systems, and oversee its effective implementation by implementing partners.
- Collaborate on the design and the development of the M&E MIS system.
- Supervise data collection, including the design of surveys when needed, by implementing entities.
- Directly participate in the monitoring of each project through site visits, review of project reports and review of secondary data.
- Regularly review M&E data with appropriate decision makers to ensure that projects are reaching their objectives and, if changes are needed, that timely decisions on corrective actions are made and implemented.
- Ensure that MCA-CV maintains current comprehensive technical documentation of the baseline development and the methodologies used to calculate targets.
- Ensure that any modification or amendment of the M&E Plan is approved by MCC in writing, as per Compact Annex III Section 5 (d) regarding Modifications.
- Prepare periodic reports regarding program monitoring and evaluation for review by the Senior Economist that will be submitted to the Steering Committee, Stakeholders Group and MCC.
- Assist in the preparation of other periodic reports including, but not limited to, monitoring and evaluation reports, budgets, implementation reports from project managers and implementing entities, procurement reports, and others as defined in the implementation procedures.
- Ensure that the MCA-Cape Verde web page contains all up-to-date relevant reports for public access by the program stakeholders.
- Participate in the planning and execution of annual project reviews.
- Organize regular data quality reviews and oversee the process for selecting independent reviewers.
- Support the Senior Economist with the development of the evaluation plan and schedule.
- Develop terms of reference for procurement of evaluations and other studies related to the M&E process.
- Ensure that staff and implementing partners are receiving adequate support to be able to implement their M&E functions.
- Other tasks and responsibilities as requested by the Senior Economist.

### ***Attachment 5 – Monitoring & Evaluation Assistant Duties and Responsibilities***

The Monitoring and Evaluation (M&E) Assistant is responsible for the overall operation of the monitoring system within the Management Unit (MU) and to support the development of the implementations plans. He/she is also responsible for providing timely and relevant information to the Monitoring and Evaluation Officer and the Senior Economist. This entails close communication with all involved in M&E implementation: MCC-M&E Specialist, MCA-M&E Officer, Senior Economist, Project Managers and M&E staff within the Implementing Entities (IE). The M&E Assistant reports to the M&E Analyst and performs the following specific duties:

- In collaboration with the M&E Officer, coordinate the process for reporting on key performance indicators including comparison to targets. Design the format for such performance monitoring reports.
- Collaborate in updating the MCA Web site.
- Identify specific needs of primary data collection processes.
- Assist the M&E Officer in the development and implementation of the Monitoring Plan.
- Assist the M&E Officer in the design and the development of the M&E MIS system.
- Directly participate in the monitoring of each project through site visits, the review of project reports and the review of primary and secondary data.
- Permanently review the quality of data collected by implementing entity field monitors.
- Support the Procurement Manager and Project Managers in updating the Procurement Plan on Excel spreadsheets.
- Other tasks and responsibilities as requested by the M&E Officer.

The M&E Assistant will provide on-going support to the Senior Economist and perform the following specific duties:

- Assist in the development of the individual project budget and work plans disaggregated at the project activity and sub-activity levels.
- Address specific budget implementation issues as assigned by the Senior Economist.
- Provide follow-up to for the implementation of the Fiscal Accountability Plan.
- Design Excel spreadsheets for submission of project work plans and detailed budgets for each implementing entity.
- Assist the Senior Economist in the measurement of the Program's macroeconomic impact, including sectoral growth and poverty analysis.
- Other tasks and responsibilities as requested by the Senior Economist.

**Attachment 6 – Text Modifications: from 14Apr06M&E Plan to 20Dec08M&E Plan**

| <b>Change</b> | <b>Section Number</b> | <b>Section Title</b>                                                               | <b>Nature of Change(s)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Reason for change</b>                                                                                                           |
|---------------|-----------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| 1.            | 2                     | Summary of the Program and Objectives: The Infrastructure Project                  | Project description changed from rehabilitation of 5 roads to rehabilitation of 3 roads.                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Compact restructuring                                                                                                              |
| 2.            | 2                     | Summary of the Program and Objectives: Private Sector Development Project          | Description of “Partnership to Mobilize Investment” deleted.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Reflect change in Compact scope.                                                                                                   |
| 3.            | 2                     | Summary of the Program and Objectives: Expected Impact                             | Identification of M&E analysis changed to five levels from three levels.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Reflection of new MCC monitoring guidelines and addition of Process Milestone indicators                                           |
| 4.            | 2                     | Summary of the Program and Objectives: Figure 1                                    | Removal of ‘Improved Environment for Business Development in Priority Sectors’ from the Compact Results Chain.                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Reflect change in Compact scope.                                                                                                   |
| 5.            | 2                     | Summary of the Program and Objectives: Table 1                                     | a. Increase in annual income changed from \$10 million and \$22.3 million to \$6.9 million and \$27.1 million in Years 5 and 10, respectively.<br>b. Increase in income from WMAS project changed from \$1.5 million and \$1.5 million to \$0.7 million and 2.0 million in Years 5 and 10, respectively.<br>c. Increase in income from Port Activity changed from \$5.4 million and \$16.7 million to \$4.1 million and \$21.9 million in Years 5 and 10, respectively.<br>d. Increase in income from the Partnership to Mobilize Investment Activity deleted. | a. Update of Compact ERRs<br>b. Update of WMAS ERR.<br>c. Use of updated ERR methodology.<br>d. Reflects changes in Compact scope. |
| 6.            | 2                     | Summary of the Program and Objectives: Program Beneficiaries, Table 2 and Table 3. | Beneficiary numbers updated in Tables 2 and 3 for WMAS and Roads Projects, respectively, and in the accompanying text.                                                                                                                                                                                                                                                                                                                                                                                                                                         | Reflect updated Project activities and national statistics.                                                                        |
| 7.            | 2                     | Summary of the Program and Objectives: Infrastructure                              | Text added to explain why MCC will only be funding Phase I of the Project.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                    |



|     |   |                                                                     |                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                         |
|-----|---|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |   | Development Project                                                 |                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                         |
| 8.  | 3 | Monitoring Component                                                | Removal of Project level monthly M&E plan requirement                                                                                                                                                                                                                                            | Over-burdensome reporting and planning.                                                                                                                                                                                                 |
| 9.  | 3 | Monitoring Component: Indicators                                    | Mention of Process Milestone indicators' addition                                                                                                                                                                                                                                                | Reflect new reporting requirement                                                                                                                                                                                                       |
| 10. | 3 | Monitoring Component: Pending Baselines and Targets, Table 4        | a. Number of crop-cycles removed.<br>b. Targets needed for on-time repayment rate (farmers) and volume of new loans disbursed for drip irrigation.<br>c. Aquifer level removed.<br>d. Value-added, Volume of private investments, and Volume of public-investments above current trends removed. | a. Baseline and targets established for number of crop cycles.<br>b. Updated definitions require updated targets<br>c. No longer an indicator; baseline or targets necessary<br>d. No longer indicators; baseline and targets necessary |
| 11. | 3 | Monitoring Component: Disaggregation of Data, Table 5               | Indicators in table updated                                                                                                                                                                                                                                                                      | Reflections indicator updates and disaggregation needs.                                                                                                                                                                                 |
| 12. | 3 | Monitoring Component: Data Quality Reviews                          | Second data quality review moved from Q12 to Q16                                                                                                                                                                                                                                                 | Maximize the data reviewed under the 2 <sup>nd</sup> Data Quality Review                                                                                                                                                                |
| 13. | 3 | Monitoring Component: Standard Reporting Requirements               | a. Mid-term review eliminated<br>b. Updated language on Performance Reporting                                                                                                                                                                                                                    | a. Reference to Mid-term review removed because quarterly Portfolio Reviews are sufficient.<br>b. Reflects updated MCC policy.                                                                                                          |
| 14. | 3 | Monitoring Component: Linking Disbursements to Performance, Table 6 | Linking Disbursements to Performance Section and Accompanying table (Table 6 in original version) removed.                                                                                                                                                                                       | Reflects managerial decision.                                                                                                                                                                                                           |
| 15. | 4 | Evaluation Component: Watershed Project Impact Evaluation           | a. Control Group language updated;<br>b. Selection method language refined;<br>c. Methodology section discussing bias updated.                                                                                                                                                                   | Reflects new methodology.                                                                                                                                                                                                               |
| 16. | 4 | Evaluation Component: Roads and Bridges Impact Evaluation           | a. Treatment group language updated;<br>b. Control group language updated;<br>c. Figure 2 added to clarify methodology;                                                                                                                                                                          | Reflects new methodology.                                                                                                                                                                                                               |

|     |   |                                                                           |                                                                                                                                                                                         |                                                                                                                                           |
|-----|---|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
|     |   |                                                                           | d. Methodology updated.                                                                                                                                                                 |                                                                                                                                           |
| 17. | 4 | Evaluation Component: Port Impact Evaluation                              | a. Interim data collection process updated;<br>b. Final data collection process updated;                                                                                                | Reflects new methodology.                                                                                                                 |
| 18. | 4 | Evaluation Component: Private Sector Development Project                  | Description of evaluation plan updated.                                                                                                                                                 | Reflects changes in Project scope.                                                                                                        |
| 19. | 5 | Economic Analysis, Assumptions, and Risks: Economic Analysis, Table 7     | a. Agricultural Project ERR updated from 10% to a range of 3% to 13%.<br>b. Port activity ERR updated from 23% to 29% along with corresponding text.<br>c. Footnotes added for Port ERR | Updated methodology                                                                                                                       |
| 20. | 5 | Economic Analysis, Assumptions, and Risks: Assumptions and Risks, Table 8 | Table updated for every Project.                                                                                                                                                        | Reflects changes in risks since start of implementation.                                                                                  |
| 21. | 6 | Implementation and Management of M&E: Coordination of M&E Gathering       | Figure 3 added, which represents roles and responsibilities for the Watershed Project's reporting.                                                                                      | Increase clarity around the WMAS data collection process.                                                                                 |
| 22. | 6 | Implementation and Management of M&E: Coordination of M&E Gathering       | Updated M&E Gathering Structure Figure                                                                                                                                                  | Reflects new responsibilities for PSD project data gathering and reporting.                                                               |
| 23. | 7 | Budget                                                                    | Total budget reduced from \$4.9 million to \$3.5 million.                                                                                                                               | Result of Management's re-budgeting exercise in the face of administrative funding constraints. Main reductions were for special studies. |

**Attachment 7 – Table Modifications: from 14Apr06M&E Plan to 20Dec08M&E Plan****Process Milestone Indicators**

|    |                     |                                                                       |
|----|---------------------|-----------------------------------------------------------------------|
| 1. | Indicator           | Signature of IEA with CSCC (Conselho Superior de Câmaras de Comércio) |
|    | Date                | 9/27/2008                                                             |
|    | Project / Objective | Private Sector Development                                            |
|    | Activity            | Credit Bureau                                                         |
|    | Original Indicator  | No: New indicator                                                     |
|    | Modification        | Process milestone indicator added to 20Dec08 M&E Plan                 |
|    | Justification       | Process Milestone; Contract enters into effect                        |

|    |                     |                                                       |
|----|---------------------|-------------------------------------------------------|
| 2. | Indicator           | Tender Documents Approved and Issued                  |
|    | Date                | 9/27/2008                                             |
|    | Project / Objective | Private Sector Development                            |
|    | Activity            | Credit Bureau                                         |
|    | Original Indicator  | No: New indicator                                     |
|    | Modification        | Process milestone indicator added to 20Dec08 M&E Plan |
|    | Justification       | Process Milestone; Establishes Credit Bureau          |

|    |                     |                                                                                        |
|----|---------------------|----------------------------------------------------------------------------------------|
| 3. | Indicator           | MCA-CV Approves Institutional Development Plans                                        |
|    | Date                | 9/27/2008                                                                              |
|    | Project / Objective | Private Sector Development                                                             |
|    | Activity            | Development of MFIs                                                                    |
|    | Original Indicator  | No: New indicator                                                                      |
|    | Modification        | Process milestone indicator added to 20Dec08 M&E Plan                                  |
|    | Justification       | Process Milestone; Definition of actions, trainings, and activities for MFIs completed |

|    |                     |                                                                                  |
|----|---------------------|----------------------------------------------------------------------------------|
| 4. | Indicator           | MCA-CV accepts Quarter 7 Progress Report                                         |
|    | Date                | 9/27/2008                                                                        |
|    | Project / Objective | Private Sector Development                                                       |
|    | Activity            | Development of MFIs                                                              |
|    | Original Indicator  | No: New indicator                                                                |
|    | Modification        | Process milestone indicator added to 20Dec08 M&E Plan                            |
|    | Justification       | Process Milestone; Successful Achievement of project goals for pre-selected MFIs |

|    |                     |                                                                   |
|----|---------------------|-------------------------------------------------------------------|
| 5. | Indicator           | Legislation modified permitting sale of securities to individuals |
|    | Date                | 9/27/2008                                                         |
|    | Project / Objective | Private Sector Development                                        |
|    | Activity            | Government Securities                                             |
|    | Original Indicator  | No: New indicator                                                 |
|    | Modification        | Process milestone indicator added to 20Dec08 M&E Plan             |
|    | Justification       | Process Milestone; Expands Access to the primary market           |

|    |                     |                                                                   |
|----|---------------------|-------------------------------------------------------------------|
| 6. | Indicator           | New auction process approved by Ministry of Finance               |
|    | Date                | 9/27/2008                                                         |
|    | Project / Objective | Private Sector Development                                        |
|    | Activity            | Government Securities                                             |
|    | Original Indicator  | No: New indicator                                                 |
|    | Modification        | Process milestone indicator added to 20Dec08 M&E Plan             |
|    | Justification       | Process Milestone; Improves the market's operational environment. |

|    |                     |                                                                            |
|----|---------------------|----------------------------------------------------------------------------|
| 7. | Indicator           | Government approves new water pricing policy                               |
|    | Date                | 9/27/2008                                                                  |
|    | Project / Objective | WMAS                                                                       |
|    | Activity            | Sustainable Watershed Management                                           |
|    | Original Indicator  | No: New indicator                                                          |
|    | Modification        | Process milestone indicator added to 20Dec08 M&E Plan                      |
|    | Justification       | Process Milestone; Unit consumption charge established for irrigation use. |

|    |           |                                                                         |
|----|-----------|-------------------------------------------------------------------------|
| 8. | Indicator | Completion and equipping of rural extension centers in all 3 watersheds |
|----|-----------|-------------------------------------------------------------------------|

|  |                     |                                                                       |
|--|---------------------|-----------------------------------------------------------------------|
|  | Date                | 9/27/2008                                                             |
|  | Project / Objective | WMAS                                                                  |
|  | Activity            | Increase productive capacity                                          |
|  | Original Indicator  | No: New indicator                                                     |
|  | Modification        | Process milestone indicator added to 20Dec08 M&E Plan                 |
|  | Justification       | Process Milestone; Technical assistance available to Islands' farmers |

|    |                     |                                                                                  |
|----|---------------------|----------------------------------------------------------------------------------|
| 9. | Indicator           | Construct and equip packing and conservation service centers in all 3 watersheds |
|    | Date                | 9/27/2008                                                                        |
|    | Project / Objective | WMAS                                                                             |
|    | Activity            | Increase Marketing of Agricultural Products                                      |
|    | Original Indicator  | No: New indicator                                                                |
|    | Modification        | Process milestone indicator added to 20Dec08 M&E Plan                            |
|    | Justification       | Process Milestone; Agricultural Marketing Services available to Islands' farmers |

|     |                     |                                                             |
|-----|---------------------|-------------------------------------------------------------|
| 10. | Indicator           | All compromise agreements signed for Road 1                 |
|     | Date                | 9/27/2008                                                   |
|     | Project / Objective | Roads Rehabilitation                                        |
|     | Activity            | Road 1                                                      |
|     | Original Indicator  | No: New indicator                                           |
|     | Modification        | Process milestone indicator added to 20Dec08 M&E Plan       |
|     | Justification       | Process Milestone; Allows construction for road 1 to begin. |

|     |                     |                                                                                 |
|-----|---------------------|---------------------------------------------------------------------------------|
| 11. | Indicator           | All compromise agreements signed or Expropriation process completed for Road 2. |
|     | Date                | 9/27/2008                                                                       |
|     | Project / Objective | Roads Rehabilitation                                                            |
|     | Activity            | Road and Bridges                                                                |
|     | Original Indicator  | No: New indicator                                                               |
|     | Modification        | Process milestone indicator added to 20Dec08 M&E Plan                           |
|     | Justification       | Process Milestone; Authorizes construction of Road 2 to begin.                  |

|     |                     |                                                                                             |
|-----|---------------------|---------------------------------------------------------------------------------------------|
| 12. | Indicator           | Contract for Phase 1 Works Signed                                                           |
|     | Date                | 9/27/2008                                                                                   |
|     | Project / Objective | Port of Praia                                                                               |
|     | Activity            | Port of Praia Expansion and Modernization                                                   |
|     | Original Indicator  | No: New indicator                                                                           |
|     | Modification        | Process milestone indicator added to 20Dec08 M&E Plan                                       |
|     | Justification       | Process Milestone; Engineering construction firm officially contracted to complete Phase 1. |

|     |                     |                                                                               |
|-----|---------------------|-------------------------------------------------------------------------------|
| 13. | Indicator           | BCEOM Submits Final Design for Phase II Works                                 |
|     | Date                | 9/27/2008                                                                     |
|     | Project / Objective | Port of Praia                                                                 |
|     | Activity            | Port of Praia Expansion and Modernization                                     |
|     | Original Indicator  | No: New indicator                                                             |
|     | Modification        | Process milestone indicator added to 20Dec08 M&E Plan                         |
|     | Justification       | Process Milestone; Phase II designs and MCA obligation for Phase II complete. |

|     |                     |                                                       |
|-----|---------------------|-------------------------------------------------------|
| 14. | Indicator           | Site Installation Complete                            |
|     | Date                | 9/27/2008                                             |
|     | Project / Objective | Port of Praia                                         |
|     | Activity            | Port of Praia Expansion and Modernization             |
|     | Original Indicator  | No: New indicator                                     |
|     | Modification        | Process milestone indicator added to 20Dec08 M&E Plan |
|     | Justification       | Process Milestone; Prepares Phase I works to begin.   |

**Watershed Management and Agriculture Support Project (WMAS)**

|    |                     |                                                                                                                                                                                                   |
|----|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Indicator           | Volume of available water                                                                                                                                                                         |
|    | Date                | 9/27/2008                                                                                                                                                                                         |
|    | Project / Objective | Watershed Management and Agriculture Support (WMAS) Project                                                                                                                                       |
|    | Activity            | Sustainable Watershed Management                                                                                                                                                                  |
|    | Original Indicator  | Volume of available water                                                                                                                                                                         |
|    | Modification        | Baseline and targets updated                                                                                                                                                                      |
|    | Justification       | New indicator definition                                                                                                                                                                          |
| 2. | Indicator           | Tons of solid material retained through soil conservation infrastructure                                                                                                                          |
|    | Date                | 9/27/2008                                                                                                                                                                                         |
|    | Project / Objective | WMAS                                                                                                                                                                                              |
|    | Activity            | Sustainable Watershed Management                                                                                                                                                                  |
|    | Original Indicator  | No: New indicator                                                                                                                                                                                 |
|    | Modification        | New indicator added to 20Dec08 M&E Plan                                                                                                                                                           |
|    | Justification       | More precisely measures the Project's desired outcome ( increase agricultural productivity and corresponding participating farmer household income) through conservation/retention of arable land |
| 3. | Indicator           | Productivity                                                                                                                                                                                      |
|    | Date                | 9/27/2008                                                                                                                                                                                         |
|    | Project / Objective | WMAS                                                                                                                                                                                              |
|    | Activity            | Increase Agricultural Productivity in the Intervention Areas                                                                                                                                      |
|    | Original Indicator  | Productivity                                                                                                                                                                                      |
|    | Modification        | Baseline and targets updated                                                                                                                                                                      |
|    | Justification       | Updated and improved methodology                                                                                                                                                                  |
| 4. | Indicator           | Value added for farms                                                                                                                                                                             |
|    | Date                | 9/27/2008                                                                                                                                                                                         |
|    | Project / Objective | WMAS                                                                                                                                                                                              |
|    | Activity            | Increase Agricultural Productivity in the Intervention Areas                                                                                                                                      |
|    | Original Indicator  | Value added for farms and agribusinesses                                                                                                                                                          |
|    | Modification        | Indicator now includes value added for farms only. Baselines and targets updated.                                                                                                                 |
|    | Justification       | More precise definition                                                                                                                                                                           |

|    |                     |                                                              |
|----|---------------------|--------------------------------------------------------------|
| 5. | Indicator           | Number of crop cycles                                        |
|    | Date                | 9/27/2008                                                    |
|    | Project / Objective | WMAS                                                         |
|    | Activity            | Increase Agricultural Productivity in the Intervention Areas |
|    | Original Indicator  | Number of crop cycles                                        |
|    | Modification        | Baseline and targets updated                                 |
|    | Justification       | New water availability figures                               |

|    |                     |                                                                  |
|----|---------------------|------------------------------------------------------------------|
| 6. | Indicator           | Number of farmers adopting drip irrigation                       |
|    | Date                | 9/27/2008                                                        |
|    | Project / Objective | WMAS                                                             |
|    | Activity            | Increase Productive Capacity                                     |
|    | Original Indicator  | Adoption rate of drip irrigation                                 |
|    | Modification        | Definition changed. Baseline and targets updated as a result.    |
|    | Justification       | Changed from a rate to an absolute number which is more precise. |

|    |                     |                                     |
|----|---------------------|-------------------------------------|
| 7. | Indicator           | Area irrigated with drip irrigation |
|    | Date                | 9/27/2008                           |
|    | Project / Objective | WMAS                                |
|    | Activity            | Increase Productive Capacity        |
|    | Original Indicator  | Area irrigated with drip irrigation |
|    | Modification        | Baseline and targets updated        |
|    | Justification       | To reflect project changes          |

|    |                     |                                                              |
|----|---------------------|--------------------------------------------------------------|
| 8. | Indicator           | Number of crop cycles                                        |
|    | Date                | 9/27/2008                                                    |
|    | Project / Objective | WMAS                                                         |
|    | Activity            | Increase Agricultural Productivity in the Intervention Areas |
|    | Original Indicator  | Number of crop cycles                                        |
|    | Modification        | Baseline and targets updated                                 |
|    | Justification       | New water availability figures                               |



|    |                     |                                                                                                   |
|----|---------------------|---------------------------------------------------------------------------------------------------|
| 9. | Indicator           | Reservoirs constructed                                                                            |
|    | Date                | 9/27/2008                                                                                         |
|    | Project / Objective | WMAS                                                                                              |
|    | Activity            | Increase Productive Capacity                                                                      |
|    | Original Indicator  | Reservoirs constructed                                                                            |
|    | Modification        | Targets updated                                                                                   |
|    | Justification       | To reflect project changes as a result of groundwater availability and rising construction costs. |

|     |                     |                                                                                                 |
|-----|---------------------|-------------------------------------------------------------------------------------------------|
| 10. | Indicator           | Number of farmers that have completed training in 3 of 5 core agricultural disciplines          |
|     | Date                | 9/27/2008                                                                                       |
|     | Project / Objective | WMAS                                                                                            |
|     | Activity            | Increase Productive Capacity                                                                    |
|     | Original Indicator  | Number of farmers trained in drip irrigation                                                    |
|     | Modification        | Definition changed. Targets updated                                                             |
|     | Justification       | To reflect changes in training program and establish more rigorous/precise unit of measurement. |

|     |                     |                                             |
|-----|---------------------|---------------------------------------------|
| 11. | Indicator           | Number of agribusinesses                    |
|     | Date                | 9/27/2008                                   |
|     | Project / Objective | WMAS                                        |
|     | Activity            | Increase Marketing of Agricultural Products |
|     | Original Indicator  | Number of agribusinesses                    |
|     | Modification        | Indicator retired                           |
|     | Justification       | Change in project scope                     |

|     |                     |                                             |
|-----|---------------------|---------------------------------------------|
| 12. | Indicator           | Sales revenue of agribusiness               |
|     | Date                | 9/27/2008                                   |
|     | Project / Objective | WMAS                                        |
|     | Activity            | Increase Marketing of Agricultural Products |
|     | Original Indicator  | Sales revenue of agribusiness               |
|     | Modification        | Indicator retired                           |
|     | Justification       | Change in project scope                     |

|     |                     |                                                                                                                                                                           |
|-----|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 13. | Indicator           | Volume of new loans disbursed for agricultural production                                                                                                                 |
|     | Date                | 9/27/2008                                                                                                                                                                 |
|     | Project / Objective | WMAS                                                                                                                                                                      |
|     | Activity            | Increase Financial Capacity of Participants                                                                                                                               |
|     | Original Indicator  | Volume of new loans disbursed by sector                                                                                                                                   |
|     | Modification        | Definition refined. Targets eliminated and changed to TBD                                                                                                                 |
|     | Justification       | More precise definition. Updated target data to be provide by MFIs                                                                                                        |
| 14. | Indicator           | On-time repayment rate for agricultural production loans                                                                                                                  |
|     | Date                | 9/27/2008                                                                                                                                                                 |
|     | Project / Objective | WMAS                                                                                                                                                                      |
|     | Activity            | Increase Financial Capacity of Participants                                                                                                                               |
|     | Original Indicator  | Default rate                                                                                                                                                              |
|     | Modification        | Definition changed. Baseline and targets updated                                                                                                                          |
|     | Justification       | To meet international micro-finance monitoring standards.                                                                                                                 |
| 15. | Indicator           | Aquifer level                                                                                                                                                             |
|     | Date                | 9/27/2008                                                                                                                                                                 |
|     | Project / Objective | WMAS                                                                                                                                                                      |
|     | Activity            | Sustainable watershed management                                                                                                                                          |
|     | Original Indicator  | Aquifer level                                                                                                                                                             |
|     | Modification        | Indicator retired                                                                                                                                                         |
|     | Justification       | Elimination of production wells in Faja and Mosteiros and significant reduction in Paul due to project restructuring reduces utility of monitoring performance indicator. |
| 16. | Indicator           | Torrential dikes constructed                                                                                                                                              |
|     | Date                | 9/27/2008                                                                                                                                                                 |
|     | Project / Objective | WMAS                                                                                                                                                                      |
|     | Activity            | Sustainable Watershed Management                                                                                                                                          |
|     | Original Indicator  | Torrential dikes constructed                                                                                                                                              |
|     | Modification        | Indicator retired                                                                                                                                                         |
|     | Justification       | Output captured in indicator “Tons of solid material retained by soil conservation infrastructure”.                                                                       |

|     |                     |                                                                                                                                              |
|-----|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| 17. | Indicator           | Volume of new loans disbursed to agribusinesses                                                                                              |
|     | Date                | 9/27/2008                                                                                                                                    |
|     | Project / Objective | WMAS                                                                                                                                         |
|     | Activity            | Increase Financial Capacity of Participants                                                                                                  |
|     | Original Indicator  | Volume of new loans disbursed to agribusinesses                                                                                              |
|     | Modification        | Indicator retired                                                                                                                            |
|     | Justification       | Loans are neither targeted to agribusinesses or individual farmers; number and type of rural loans to be driven/determined by market demand. |

|     |                     |                                                  |
|-----|---------------------|--------------------------------------------------|
| 18. | Indicator           | Percent of contracted irrigation works disbursed |
|     | Date                | 9/27/2008                                        |
|     | Project / Objective | WMAS                                             |
|     | Activity            | Increase Productive Capacity                     |
|     | Original Indicator  | No: New indicator                                |
|     | Modification        | New indicator added to 20Dec08 M&E Plan          |
|     | Justification       | New MCC standard reporting requirement.          |

### Port of Praia Expansion and Modernization Indicators

|    |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Indicators          | 1. Volume of goods shipped between Praia and other islands.<br>2. Tons of general cargo handled per hour<br>3. Containers handled per hour<br>4. Tons per year<br>5. Containers per year<br>6. Waiting time for container ships<br>7. Berth occupancy time for container ships<br>8. Percentage of works completed – Detached breakwater<br>9. Percentage of works completed – Demolition<br>10. Percentage of works completed – New Container Yard<br>11. Percentage of works completed – Warf |
|    | Date                | 9/27/2008                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|    | Project / Objective | Port of Praia                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|    | Activity            | Phase II                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|    | Original Indicator  | Same as listed above                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|    | Modification        | Indicators retired                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|    | Justification       | Restructuring of Project construction activities into Phase I and Phase II. Significant                                                                                                                                                                                                                                                                                                                                                                                                         |

|  |  |                                                                            |
|--|--|----------------------------------------------------------------------------|
|  |  | gains in operational efficiency dependent on completion of combined works. |
|--|--|----------------------------------------------------------------------------|

|    |                     |                                                                                                                                                              |
|----|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. | Indicator           | 1. Percentage of works completed – Cargo Village<br>2. Percentage of works completed – Quay 2 Improvements<br>3. Percentage of works completed – Access Road |
|    | Date                | 9/27/2008                                                                                                                                                    |
|    | Project / Objective | Port of Praia                                                                                                                                                |
|    | Activity            | Phase I                                                                                                                                                      |
|    | Original Indicator  | Same as above                                                                                                                                                |
|    | Modification        | Individual Phase I and II baseline and targets established.                                                                                                  |
|    | Justification       | More rigorous performance monitoring of construction activity outputs                                                                                        |

|    |                     |                                                                          |
|----|---------------------|--------------------------------------------------------------------------|
| 3. | Indicator           | Percent of contracted Port works disbursed                               |
|    | Date                | 9/27/2008                                                                |
|    | Project / Objective | Port of Praia                                                            |
|    | Activity            | Phase I                                                                  |
|    | Original Indicator  | No: New Indicator                                                        |
|    | Modification        | MCC common indicator (percent works disbursed) added to 20Dec08 M&E Plan |
|    | Justification       | Introduction of MCC standard reporting requirement                       |

**Roads and Bridges Indicators**

|    |                     |                                                                                                                                                                                                                    |
|----|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Indicator           | Percentage of rehabilitation work phases completed for:<br>1. Road 1<br>2. Road 2<br>3. Road 4<br>4. Bridge Ribeira Grande<br>5. Bridge Ribeira Torre<br>6. Bridge Paul A<br>7. Bridge Paul B<br>8. Road Paul/Eito |
|    | Date                | 9/27/2008                                                                                                                                                                                                          |
|    | Project / Objective | Roads and Bridges Project                                                                                                                                                                                          |
|    | Activity            | Improve rural transport network                                                                                                                                                                                    |
|    | Original Indicator  | Same as above                                                                                                                                                                                                      |
|    | Modification        | Definition changed to focus on disbursements on construction contracts separately for Santiago Roads and Santo Antao Bridges.                                                                                      |
|    | Justification       | Introduction of MCC standard reporting requirement for common indicator (percent works disbursed) added to 20Dec08 M&E Plan                                                                                        |

## Private Sector Development

|    |                     |                                                                                                                                                                                                                                                 |
|----|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Indicator           | 1. Value added in priority sectors above current trends<br>2. Volume of private investment in priority sectors above current trends<br>3. Volume of public investment in priority sectors above current trends                                  |
|    | Date                | 9/27/2008                                                                                                                                                                                                                                       |
|    | Project / Objective | Private Sector Development Project                                                                                                                                                                                                              |
|    | Activity            | Develop Private Sector                                                                                                                                                                                                                          |
|    | Original Indicator  | Same as above                                                                                                                                                                                                                                   |
|    | Modification        | Indicators retired                                                                                                                                                                                                                              |
|    | Justification       | Activity eliminated from PSD Project                                                                                                                                                                                                            |
| 2. | Indicator           | 1. MFI Gross Loan portfolio<br>2. MFI Gross Loan portfolio, adjusted<br>3. MFI Portfolio at risk, adjusted<br>4. MFI Recovery rate, adjusted<br>5. Ratio of MFIs Operationally Self-Sufficient<br>6. Ratio of MFI's Financially Self-Sufficient |
|    | Date                | 9/27/2008                                                                                                                                                                                                                                       |
|    | Project / Objective | Private Sector Development Project                                                                                                                                                                                                              |
|    | Activity            | Increase Financial Intermediation                                                                                                                                                                                                               |
|    | Original Indicator  | Volume of deposits in micro-finance institutions as % of total deposits                                                                                                                                                                         |
|    | Modification        | Replace indicator with a set of more rigorous indicators; establish baseline and targets.                                                                                                                                                       |
|    | Justification       | To meet international micro-finance monitoring standards.                                                                                                                                                                                       |

***Attachment 8 – Text Modifications from 20Dec08 M&E Plan to 11Oct10 M&E Plan***

| <b>Change</b> | <b>Section Number</b> | <b>Section Title</b>                                                      | <b>Nature of Change(s)</b>                                                                                                                                                                                                                                                                                                                                                                           | <b>Reason for change</b>                                                                                                                  |
|---------------|-----------------------|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| 1.            | 2                     | Summary of the Program and Objectives: Infrastructure Development Project | Updated summary of the events, timeline and MCC funded works of the restructured Port of Praia Expansion and Modernization Activity.                                                                                                                                                                                                                                                                 | Reflect update in compact closeout documentation.                                                                                         |
| 2.            | 3                     | Monitoring Component: Indicators                                          | Incorporate statement of MCC mandated agricultural and infrastructure sector common indicators.                                                                                                                                                                                                                                                                                                      | Reflect change in MCC guidance on MCA quarterly reporting requirements.                                                                   |
| 3.            | 3                     | Monitoring Component: Disaggregating Data by Gender, Income and Age       | Public dissemination of results of Impact Evaluations on program beneficiaries will vary according to the completion dates of post compact evaluation activities. Estimated impact evaluation completion dates include December 2013 for Agricultural Support, November 2011 for Roads and Bridges, June 2014 for Port Expansion and Modernization and December 2010 for Private Sector Development. | Evaluation activities to extend into compact closeout and post compact periods due to end of compact or post compact completion of works. |
| 4.            | 3                     | Monitoring Component: Data Quality Review                                 | The second data quality review was reprogrammed from Quarter 16 to Quarter 20 (July-October 2010) in order to ensure in course field correction of closeout data collection activities.                                                                                                                                                                                                              | Reflect change in timing of second planned data quality review to support M&E closeout strategy.                                          |
| 5.            | 3                     | Monitoring Component: Standard Reporting Requirements                     | Incorporate a reference to December 2009 MCC recommendation for the preparation of a Compact Closeout Report (CCR) in order to document the history/evolution of program events, performance, self-assessment of MCA-                                                                                                                                                                                | Reflect change in scope of MCC reporting requirements due to compact closeout activities.                                                 |

|    |              |                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                    |
|----|--------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |              |                                                                           | CV's management of its program and provide recommendations/lessons learned regarding the MCC development model.                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                    |
| 6. | 4            | Evaluation Component: Final Impact Evaluation                             | Update relevant changes to Watershed Management and Agricultural Support Project, Roads and Bridges Activity, Port of Praia Expansion and Modernization Activity and Private Sector Development Project evaluation events.                                                                                                                                                                                                                                                                              | Reflect changes in data sources, methodology, collaborating institutions, bidding process, contract arrangements and timing of evaluation events.                                                                                                                                                  |
| 7. | 7            | Budget                                                                    | Revision of M&E budget to reflect actual expenses and status of compact closeout operating budget as opposed to originating M&E budget statement.                                                                                                                                                                                                                                                                                                                                                       | Reflect actual disbursements during the 2005-2009 period and adjustments to 2010 operating budget.                                                                                                                                                                                                 |
| 8. | Attachment 2 | Attachment 2: Process Milestone Indicators                                | Document updated status of indicators from "pending" to "completed", incorporate new indicators and/or revise target dates due to restructuring events.                                                                                                                                                                                                                                                                                                                                                 | Reflect current performance status of completed process milestones.                                                                                                                                                                                                                                |
| 9. | Attachment 3 | Attachment 3: Indicator Definition Tables and Performance Tracking Tables | Update tables to reflect revisions to number of performance indicators, language of indicator statements and definitions. As applicable, create historical series of newly introduced indicators and modify annual distribution of targets and/or end of compact targets in strict accordance with MCC M&E policy for target modification; e.g, increase USD value of MFI loan portfolio for the Watershed Management and Agricultural Support Project Credit Activity from USD 450,000 to USD 600,000. | Update status of indicator definition and performance tracking tables to reflect November 2009 MCC mandated agricultural, infrastructure (roads, bridges and port) and financial sector common indicators in support of MCC reporting on cross compact performance and target setting exercises to |



|     |               |                                                                              |                                                                              |                                         |
|-----|---------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|-----------------------------------------|
|     |               |                                                                              |                                                                              | MCC senior management and constituents. |
| 10. | Attachment 8  | Attachment 8: Text Modifications from 20Dec08 M&E Plan to 11Oct10 M&E Plan   | Document text modifications from 20Dec09 to 11Oct10 MCC approved M&E Plans.  | Compliance with MCC-M&E Policy          |
| 11. | Attachment 9  | Attachment 9: Table Modifications: from 20Dec08 M&E Plan to 11Oct10 M&E Plan | Document table modifications from 20Dec09 to 11Oct10 MCC approved M&E Plans. | Compliance with MCC-M&E Policy          |
| 12. | Attachment 10 | Attachment 10: Methodology for Calculating the International Roughness Index |                                                                              |                                         |

**Attachment 9 – Table Modifications from 20Dec08 M&E Plan to 11Oct10 M&E Plan****Watershed Management and Agriculture Support Project**

|    |                     |                                                                                        |
|----|---------------------|----------------------------------------------------------------------------------------|
| 1. | Indicator           | Number of new loans disbursed – Agriculture: All Watersheds (Paul, Faja and Mosteiros) |
|    | Date                | 10/20/2009                                                                             |
|    | Project / Objective | WMAS / Increase Financial Capacity of Participants                                     |
|    | Activity            | Credit Activity                                                                        |
|    | Original Indicator  | No: New Indicator                                                                      |
|    | Modification        | New indicator added to 11Oct10 M&E Plan                                                |
|    | Justification       | Added to contextualize companion indicator “USD Value of agricultural and rural loans” |

|    |                     |                                                                                                                        |
|----|---------------------|------------------------------------------------------------------------------------------------------------------------|
| 2. | Indicator           | Portfolio at risk above 90 days                                                                                        |
|    | Date                | 10/20/2009                                                                                                             |
|    | Project / Objective | WMAS / Increase Financial Capacity of Participants                                                                     |
|    | Activity            | Credit Activity                                                                                                        |
|    | Original Indicator  | On-time repayment rate of loans for agriculture                                                                        |
|    | Modification        | New indicator added to 11Oct10 M&E Plan                                                                                |
|    | Justification       | To improve quality/completeness of reported MFI financial data and comply with CGAP international reporting standards. |

|    |                     |                                                                                                                                                                                                                                                    |
|----|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. | Indicator           | On-time repayment rate of loans for agriculture                                                                                                                                                                                                    |
|    | Date                | 10/20/2009                                                                                                                                                                                                                                         |
|    | Project / Objective | WMAS / Increase Financial Capacity of Participants                                                                                                                                                                                                 |
|    | Activity            | Credit Activity                                                                                                                                                                                                                                    |
|    | Original Indicator  | Yes                                                                                                                                                                                                                                                |
|    | Modification        | Indicator retired                                                                                                                                                                                                                                  |
|    | Justification       | “Portfolio at risk above 90 days” incorporated as substitute for “On-time repayment rate of loans for agriculture” in order to improve quality/completeness of reported MFI financial data and comply with CGAP international reporting standards. |

|    |                     |                                                                                                                                                                                                                                                                                |
|----|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. | Indicator           | Number of farmers that have completed training in at least 3 of 5 core agricultural disciplines: All Watersheds (Paul, Faja and Mosteiros)                                                                                                                                     |
|    | Date                | 9/27/2008                                                                                                                                                                                                                                                                      |
|    | Project / Objective | WMAS / Increase Productive Capacity                                                                                                                                                                                                                                            |
|    | Activity            | Agribusiness Development Services Activity                                                                                                                                                                                                                                     |
|    | Original Indicator  | Number of farmers that have completed training in at least 3 of 5 core agricultural disciplines                                                                                                                                                                                |
|    | Modification        | Distribution of annual targets changed. End of compact target unchanged. Qualifier “All Watersheds (Paul, Faja and Mosteiros)” added to indicator statement to improve clarity about geographic area(s).                                                                       |
|    | Justification       | Delays in development of updated list of participating watershed farmers to be trained introduced changes in training contractor schedule. The distribution of annual targets was changed to adjust for rescheduled training events. End of compact target remained unchanged. |
| 5. | Indicator           | Number of farmers that have completed training in at least 3 of 5 core agricultural disciplines (Paul)                                                                                                                                                                         |
|    | Date                | 9/27/2008                                                                                                                                                                                                                                                                      |
|    | Project / Objective | WMAS / Increase Productive Capacity                                                                                                                                                                                                                                            |
|    | Activity            | Agribusiness Development Services Activity                                                                                                                                                                                                                                     |
|    | Original Indicator  | Number of farmers that have completed training in at least 3 of 5 core agricultural disciplines                                                                                                                                                                                |
|    | Modification        | Farmer training data series (targets and actual) was disaggregated by participating watersheds.                                                                                                                                                                                |
|    | Justification       | Training data targets were disaggregated by watershed in order to more effectively program, monitor and manage training progress.                                                                                                                                              |

|    |                     |                                                                                                                                   |
|----|---------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| 6. | Indicator           | Number of farmers that have completed training in at least 3 of 5 core agricultural disciplines (Faja)                            |
|    | Date                | 9/27/2008                                                                                                                         |
|    | Project / Objective | WMAS / Increase Productive Capacity                                                                                               |
|    | Activity            | Agribusiness Development Services Activity                                                                                        |
|    | Original Indicator  | Number of farmers that have completed training in at least 3 of 5 core agricultural disciplines                                   |
|    | Modification        | Farmer training data series (targets and actual) was disaggregated by participating watersheds.                                   |
|    | Justification       | Training data targets were disaggregated by watershed in order to more effectively program, monitor and manage training progress. |

|    |                     |                                                                                                                                   |
|----|---------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| 7. | Indicator           | Number of farmers that have completed training in at least 3 of 5 core agricultural disciplines (Mosteiros)                       |
|    | Date                | 9/27/2008                                                                                                                         |
|    | Project / Objective | WMAS / Increase Productive Capacity                                                                                               |
|    | Activity            | Agribusiness Development Services Activity                                                                                        |
|    | Original Indicator  | Number of farmers that have completed training in at least 3 of 5 core agricultural disciplines                                   |
|    | Modification        | Farmer training data series (targets and actual) was disaggregated by participating watersheds.                                   |
|    | Justification       | Training data targets were disaggregated by watershed in order to more effectively program, monitor and manage training progress. |

|    |                     |                                                                                                                                                                                                                                                                  |
|----|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8. | Indicator           | Value/Volume of new loans disbursed for agriculture (USD)                                                                                                                                                                                                        |
|    | Date                | 10/20/2009                                                                                                                                                                                                                                                       |
|    | Project / Objective | WMAS                                                                                                                                                                                                                                                             |
|    | Activity            | Credit Activity                                                                                                                                                                                                                                                  |
|    | Original Indicator  | Value/Volume of new loans disbursed for agriculture (\$ US)                                                                                                                                                                                                      |
|    | Modification        | The term “volume” was removed from the indicator statement. TBDs were replaced with established annual and end-of-compact targets.                                                                                                                               |
|    | Justification       | Financial Sector Reform Activity managers establish annual loan targets. Credit line changed from USD 450, 000 to USD 600,000 to provide additional credit to farmers. Credit line increased from reallocation of funds from Private Sector Development Project. |

|     |                     |                                                                                                                                                                                                                                             |
|-----|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9.  | Indicator           | Number of new loans disbursed for agriculture                                                                                                                                                                                               |
|     | Date                | 10/06/2010                                                                                                                                                                                                                                  |
|     | Project / Objective | WMAS                                                                                                                                                                                                                                        |
|     | Activity            | Credit Activity                                                                                                                                                                                                                             |
|     | Original Indicator  | Yes: Indicator name unchanged                                                                                                                                                                                                               |
|     | Modification        | Change year 5 target and end of compact target                                                                                                                                                                                              |
|     | Justification       | Increase number of loans from 180 to 240 due to increase in credit line from USD 450, 000 to 600,000 to provide additional credit to farmers. Number of loans increased from reallocation of funds from Private Sector Development Project. |
| 10. | Indicator           | Value of irrigation construction contracts signed                                                                                                                                                                                           |
|     | Date                | 10/20/2009                                                                                                                                                                                                                                  |
|     | Project / Objective | WMAS / Increase Productive Capacity                                                                                                                                                                                                         |
|     | Activity            | Water Managment Activity                                                                                                                                                                                                                    |
|     | Original Indicator  | No: New Indicator                                                                                                                                                                                                                           |
|     | Modification        | New indicator added to 11Oct10 M&E Plan                                                                                                                                                                                                     |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                                                                                                                                                                                       |
| 11. | Indicator           | Percent of contracted irrigation construction works disbursed                                                                                                                                                                               |
|     | Date                | 10/20/2009                                                                                                                                                                                                                                  |
|     | Project / Objective | WMAS / Increase Productive Capacity                                                                                                                                                                                                         |
|     | Activity            | Water Managment Activity                                                                                                                                                                                                                    |
|     | Original Indicator  | Percent of contracted irrigation works disbursed (cumulative)                                                                                                                                                                               |
|     | Modification        | Modify indicator statement and definition                                                                                                                                                                                                   |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                                                                                                                                                                                       |
| 12. | Indicator           | Number of farmers trained                                                                                                                                                                                                                   |
|     | Date                | 10/20/2009                                                                                                                                                                                                                                  |
|     | Project / Objective | WMAS / Increase Productive Capacity                                                                                                                                                                                                         |
|     | Activity            | Credit Activity                                                                                                                                                                                                                             |
|     | Original Indicator  | Number of farmers that have completed training in at least 3 of 5 core agricultural disciplines: All Watersheds (Paul, Faja, and Mosteiros)                                                                                                 |
|     | Modification        | Modify indicator statement and definition                                                                                                                                                                                                   |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                                                                                                                                                                                       |

|     |                     |                                                                                                                                   |
|-----|---------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| 13. | Indicator           | Number of farmers trained (Paul)                                                                                                  |
|     | Date                | 10/20/2009                                                                                                                        |
|     | Project / Objective | WMAS / Increase Productive Capacity                                                                                               |
|     | Activity            | Credit Activity                                                                                                                   |
|     | Original Indicator  | Number of farmers that have completed training in at least 3 of 5 core agricultural disciplines (Paul)                            |
|     | Modification        | Farmer training data series (targets and actual) was disaggregated by participating watersheds.                                   |
|     | Justification       | Training data targets were disaggregated by watershed in order to more effectively program, monitor and manage training progress. |

|     |                     |                                                                                                                                   |
|-----|---------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| 14. | Indicator           | Number of farmers trained (Faja)                                                                                                  |
|     | Date                | 10/20/2009                                                                                                                        |
|     | Project / Objective | WMAS / Increase Productive Capacity                                                                                               |
|     | Activity            | Credit Activity                                                                                                                   |
|     | Original Indicator  | Number of farmers that have completed training in at least 3 of 5 core agricultural disciplines (Faja)                            |
|     | Modification        | Farmer training data series (targets and actual) was disaggregated by participating watersheds.                                   |
|     | Justification       | Training data targets were disaggregated by watershed in order to more effectively program, monitor and manage training progress. |

|     |                     |                                                                                                                                   |
|-----|---------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| 15. | Indicator           | Number of farmers trained (Mosteiros)                                                                                             |
|     | Date                | 10/20/2009                                                                                                                        |
|     | Project / Objective | WMAS / Increase Productive Capacity                                                                                               |
|     | Activity            | Credit Activity                                                                                                                   |
|     | Original Indicator  | Number of farmers that have completed training in at least 3 of 5 core agricultural disciplines (Mosteiros)                       |
|     | Modification        | Farmer training data series (targets and actual) was disaggregated by participating watersheds.                                   |
|     | Justification       | Training data targets were disaggregated by watershed in order to more effectively program, monitor and manage training progress. |

|     |                     |                                                                                 |
|-----|---------------------|---------------------------------------------------------------------------------|
| 16. | Indicator           | Hectares under improved or new irrigation                                       |
|     | Date                | 10/20/2009                                                                      |
|     | Project / Objective | WMAS / Increase Productive Capacity                                             |
|     | Activity            | Agribusiness Development Services Activity                                      |
|     | Original Indicator  | Area irrigated with drip irrigation: All Watersheds (Paul, Faja, and Mosteiros) |
|     | Modification        | Modify indicator statement and definition                                       |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                           |

|     |                     |                                                                                                                                                          |
|-----|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 17. | Indicator           | Hectares under improved or new irrigation (Paul)                                                                                                         |
|     | Date                | 10/20/2009                                                                                                                                               |
|     | Project / Objective | WMAS / Increase Productive Capacity                                                                                                                      |
|     | Activity            | Agribusiness Development Services Activity                                                                                                               |
|     | Original Indicator  | Area irrigated with drip irrigation (Paul)                                                                                                               |
|     | Modification        | Modify indicator statement and definition. Data series was disaggregated by watershed in order to more effectively program, monitor and manage progress. |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                                                                                                    |

|     |                     |                                                                                                                                                          |
|-----|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 18. | Indicator           | Hectares under improved or new irrigation (Faja)                                                                                                         |
|     | Date                | 10/20/2009                                                                                                                                               |
|     | Project / Objective | WMAS / Increase Productive Capacity                                                                                                                      |
|     | Activity            | Agribusiness Development Services Activity                                                                                                               |
|     | Original Indicator  | Area irrigated with drip irrigation (Faja)                                                                                                               |
|     | Modification        | Modify indicator statement and definition. Data series was disaggregated by watershed in order to more effectively program, monitor and manage progress. |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                                                                                                    |

|     |                     |                                                                                                                                                          |
|-----|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 19. | Indicator           | Hectares under improved or new irrigation (Mosteiros)                                                                                                    |
|     | Date                | 10/20/2009                                                                                                                                               |
|     | Project / Objective | WMAS / Increase Productive Capacity                                                                                                                      |
|     | Activity            | Agribusiness Development Services Activity                                                                                                               |
|     | Original Indicator  | Area irrigated with drip irrigation (Mosteiros)                                                                                                          |
|     | Modification        | Modify indicator statement and definition. Data series was disaggregated by watershed in order to more effectively program, monitor and manage progress. |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                                                                                                    |

|     |                     |                                                                                                     |
|-----|---------------------|-----------------------------------------------------------------------------------------------------|
| 20. | Indicator           | Hectares under production                                                                           |
|     | Date                | 10/20/2009                                                                                          |
|     | Project / Objective | WMAS / Increase Productive Capacity                                                                 |
|     | Activity            | Agribusiness Development Services Activity                                                          |
|     | Original Indicator  | No: New Indicator                                                                                   |
|     | Modification        | New indicator added to 11Oct10 M&E Plan                                                             |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                                               |
| 21. | Indicator           | Value of agricultural and rural loans                                                               |
|     | Date                | 10/20/2009                                                                                          |
|     | Project / Objective | WMAS / Increase Financial Capacity of Participants                                                  |
|     | Activity            | Credit Activity                                                                                     |
|     | Original Indicator  | Volume of new loans disbursed for agricultural production                                           |
|     | Modification        | Modify indicator title                                                                              |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                                               |
| 22. | Indicator           | Number of farmers that have applied improved techniques: All Watersheds (Paul, Faja, and Mosteiros) |
|     | Date                | 10/20/2009                                                                                          |
|     | Project / Objective | WMAS / Increase Productive Capacity                                                                 |
|     | Activity            | Agribusiness Development Services Activity                                                          |
|     | Original Indicator  | No: New Indicator                                                                                   |
|     | Modification        | New indicator added to 11Oct10 M&E Plan                                                             |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                                               |
| 23. | Indicator           | Number of farmers trained in drip in irrigation: All Watersheds (Paul, Faja, and Mosteiros)         |
|     | Date                | 10/20/2009                                                                                          |
|     | Project / Objective | WMAS / Increase Productive Capacity                                                                 |
|     | Activity            | Credit Activity                                                                                     |
|     | Original Indicator  | No: New Indicator                                                                                   |
|     | Modification        | New indicator added to 11Oct10 M&E Plan                                                             |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                                               |



|     |                     |                                                                           |
|-----|---------------------|---------------------------------------------------------------------------|
| 24. | Indicator           | Volume of Available Water                                                 |
|     | Date                | 10 /06/2010                                                               |
|     | Project / Objective | WMAS / Increase Productive Capacity                                       |
|     | Activity            | Water Management Activity                                                 |
|     | Original Indicator  | Yes                                                                       |
|     | Modification        | Establish new annual targets for Paul Watershed and end of compact totals |
|     | Justification       | Calculation error of flow thru rates for spring fed reservoirs            |

### Private Sector Development

|    |                     |                                                                                                                                                                                        |
|----|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Indicator           | MFI Recovery Rate, Adjusted                                                                                                                                                            |
|    | Date                | 10/20/2009                                                                                                                                                                             |
|    | Project / Objective | Private Sector Development Project / Decrease Risk                                                                                                                                     |
|    | Activity            | Financial Sector Reform Activity                                                                                                                                                       |
|    | Original Indicator  | MFI Recovery Rate, Adjusted                                                                                                                                                            |
|    | Modification        | Indicator retired.                                                                                                                                                                     |
|    | Justification       | “MFI Recovery Rate, Adjusted” is the inverse of “MFI Portfolio at Risk, Adjusted”. Preference given to “MFI Portfolio at Risk, Adjusted” as per CGAP international reporting standards |

### Roads & Bridges Project

|    |                     |                                                           |
|----|---------------------|-----------------------------------------------------------|
| 1. | Indicator           | Kilometers (km) of roads under design                     |
|    | Date                | 10/20/2009                                                |
|    | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network |
|    | Activity            | Roads and Bridges Activity                                |
|    | Original Indicator  | No: New Indicator                                         |
|    | Modification        | New indicator added to 11Oct10 M&E Plan                   |
|    | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive     |

|    |                     |                                                                                                 |
|----|---------------------|-------------------------------------------------------------------------------------------------|
| 2. | Indicator           | Value of signed contracts for feasibility, design, supervision and program management contracts |
|    | Date                | 10/20/2009                                                                                      |
|    | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network                                       |
|    | Activity            | Roads and Bridges Activity                                                                      |
|    | Original Indicator  | No: New Indicator                                                                               |
|    | Modification        | New indicator added to 11Oct10 M&E Plan                                                         |
|    | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                                           |
| 3. | Indicator           | Percent disbursed for contracted studies                                                        |
|    | Date                | 10/20/2009                                                                                      |
|    | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network                                       |
|    | Activity            | Roads and Bridges Activity                                                                      |
|    | Original Indicator  | No: New Indicator                                                                               |
|    | Modification        | New indicator added to 11Oct10 M&E Plan                                                         |
|    | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                                           |
| 4. | Indicator           | USD value of signed contracts for road works                                                    |
|    | Date                | 10/20/2009                                                                                      |
|    | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network                                       |
|    | Activity            | Roads and Bridges Activity                                                                      |
|    | Original Indicator  | No: New Indicator                                                                               |
|    | Modification        | New indicator added to 11Oct10 M&E Plan                                                         |
|    | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                                           |
| 5. | Indicator           | Percent of contracted roads works disbursed                                                     |
|    | Date                | 10/20/2009                                                                                      |
|    | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network                                       |
|    | Activity            | Roads and Bridges Activity                                                                      |
|    | Original Indicator  | Percent of contracted Santiago Roads works disbursed (cumulative)                               |
|    | Modification        | New indicator added to 11Oct10 M&E Plan                                                         |
|    | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                                           |

|    |                     |                                                           |
|----|---------------------|-----------------------------------------------------------|
| 6. | Indicator           | Kilometers (km) of roads under works contracts            |
|    | Date                | 10/20/2009                                                |
|    | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network |
|    | Activity            | Roads and Bridges Activity                                |
|    | Original Indicator  | No: New Indicator                                         |
|    | Modification        | New indicator added to 11Oct10 M&E Plan                   |
|    | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive     |

|    |                     |                                                           |
|----|---------------------|-----------------------------------------------------------|
| 7. | Indicator           | Kilometers (km) of roads completed                        |
|    | Date                | 10/20/2009                                                |
|    | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network |
|    | Activity            | Roads and Bridges Activity                                |
|    | Original Indicator  | Kilometers of roads rehabilitated                         |
|    | Modification        | Modify indicator statement                                |
|    | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive     |

|    |                     |                                                           |
|----|---------------------|-----------------------------------------------------------|
| 8. | Indicator           | Roughness Roads/Bridges                                   |
|    | Date                | 10/20/2009                                                |
|    | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network |
|    | Activity            | Roads and Bridges Activity                                |
|    | Original Indicator  | No: New Indicator                                         |
|    | Modification        | New indicator added to 11Oct10 M&E Plan                   |
|    | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive     |

|    |                     |                                                                                                                                                                                                                                                                               |
|----|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9. | Indicator           | Roughness Road 1 (Orgãos - Pedra Badejo)                                                                                                                                                                                                                                      |
|    | Date                | 10/20/2009                                                                                                                                                                                                                                                                    |
|    | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network                                                                                                                                                                                                                     |
|    | Activity            | Roads and Bridges Activity                                                                                                                                                                                                                                                    |
|    | Original Indicator  | No: New Indicator                                                                                                                                                                                                                                                             |
|    | Modification        | New indicator added to 11Oct10 M&E Plan                                                                                                                                                                                                                                       |
|    | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive. "Roughness" data series was disaggregated by individual roads in order to monitor individual International Roughness Index (IRI) results of upgraded rehabilitated or constructed roads in the transportation network. |

|     |                     |                                                                                                                                                                                                                                                                               |
|-----|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10. | Indicator           | Roughness Road 2 (Cruz Grande - Calhetona)                                                                                                                                                                                                                                    |
|     | Date                | 10/20/2009                                                                                                                                                                                                                                                                    |
|     | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network                                                                                                                                                                                                                     |
|     | Activity            | Roads and Bridges Activity                                                                                                                                                                                                                                                    |
|     | Original Indicator  | No: New Indicator                                                                                                                                                                                                                                                             |
|     | Modification        | New indicator added to 11Oct10 M&E Plan                                                                                                                                                                                                                                       |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive. "Roughness" data series was disaggregated by individual roads in order to monitor individual International Roughness Index (IRI) results of upgraded rehabilitated or constructed roads in the transportation network. |

|     |                     |                                                                                                                                                                                                                                                                               |
|-----|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11. | Indicator           | Roughness Road 4 (Assomada - Rincão)                                                                                                                                                                                                                                          |
|     | Date                | 10/20/2009                                                                                                                                                                                                                                                                    |
|     | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network                                                                                                                                                                                                                     |
|     | Activity            | Roads and Bridges Activity                                                                                                                                                                                                                                                    |
|     | Original Indicator  | No: New Indicator                                                                                                                                                                                                                                                             |
|     | Modification        | New indicator added to 11Oct10 M&E Plan                                                                                                                                                                                                                                       |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive. "Roughness" data series was disaggregated by individual roads in order to monitor individual International Roughness Index (IRI) results of upgraded rehabilitated or constructed roads in the transportation network. |

|     |                     |                                                                                                                                                                                                                                                                               |
|-----|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12. | Indicator           | Roughness Road (Vila das Pombas – Eito)                                                                                                                                                                                                                                       |
|     | Date                | 10/20/2009                                                                                                                                                                                                                                                                    |
|     | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network                                                                                                                                                                                                                     |
|     | Activity            | Roads and Bridges Activity                                                                                                                                                                                                                                                    |
|     | Original Indicator  | No: New Indicator                                                                                                                                                                                                                                                             |
|     | Modification        | New indicator added to 11Oct10 M&E Plan                                                                                                                                                                                                                                       |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive. "Roughness" data series was disaggregated by individual roads in order to monitor individual International Roughness Index (IRI) results of upgraded rehabilitated or constructed roads in the transportation network. |

|     |                     |                                                                                                                                                                    |
|-----|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 13. | Indicator           | Roughness Bridges Santo Antao (Ribeira Grande and Paul)                                                                                                            |
|     | Date                | 10/20/2009                                                                                                                                                         |
|     | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network                                                                                                          |
|     | Activity            | Roads and Bridges Activity                                                                                                                                         |
|     | Original Indicator  | No: New Indicator                                                                                                                                                  |
|     | Modification        | New indicator added to 11Oct10 M&E Plan                                                                                                                            |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive. "Roughness" data series monitors bridge results independent of roads results in the transportation network. |

|     |                     |                                                           |
|-----|---------------------|-----------------------------------------------------------|
| 14. | Indicator           | Average Annual Daily Traffic                              |
|     | Date                | 10/20/2009                                                |
|     | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network |
|     | Activity            | Roads and Bridges Activity                                |
|     | Original Indicator  | No: New Indicator                                         |
|     | Modification        | New indicator added to 11Oct10 M&E Plan                   |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive     |

|     |                     |                                                                                                                                                                                                                                                                   |
|-----|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 15. | Indicator           | Average Annual Daily Traffic Road 1 (Orgãos - Pedra Badejo)                                                                                                                                                                                                       |
|     | Date                | 10/20/2009                                                                                                                                                                                                                                                        |
|     | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network                                                                                                                                                                                                         |
|     | Activity            | Roads and Bridges Activity                                                                                                                                                                                                                                        |
|     | Original Indicator  | No: New Indicator                                                                                                                                                                                                                                                 |
|     | Modification        | New indicator added to 11Oct10 M&E Plan                                                                                                                                                                                                                           |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive. Average Annual Daily Traffic (AADT) data series was disaggregated by individual roads in order to monitor individual results of upgraded rehabilitated or constructed roads in the transportation network. |

|     |                     |                                                                                                                                                                                                                                                                   |
|-----|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 16. | Indicator           | Average Annual Daily Traffic Road 2 (Cruz Grande - Calhetona)                                                                                                                                                                                                     |
|     | Date                | 10/20/2009                                                                                                                                                                                                                                                        |
|     | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network                                                                                                                                                                                                         |
|     | Activity            | Roads and Bridges Activity                                                                                                                                                                                                                                        |
|     | Original Indicator  | No: New Indicator                                                                                                                                                                                                                                                 |
|     | Modification        | New indicator added to 11Oct10 M&E Plan                                                                                                                                                                                                                           |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive. Average Annual Daily Traffic (AADT) data series was disaggregated by individual roads in order to monitor individual results of upgraded rehabilitated or constructed roads in the transportation network. |

|     |                     |                                                                                                                                                                                                                                                                   |
|-----|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 17. | Indicator           | Average Annual Daily Traffic Road 4 (Assomada – Rincão)                                                                                                                                                                                                           |
|     | Date                | 10/20/2009                                                                                                                                                                                                                                                        |
|     | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network                                                                                                                                                                                                         |
|     | Activity            | Roads and Bridges Activity                                                                                                                                                                                                                                        |
|     | Original Indicator  | No: New Indicator                                                                                                                                                                                                                                                 |
|     | Modification        | New indicator added to 11Oct10 M&E Plan                                                                                                                                                                                                                           |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive. Average Annual Daily Traffic (AADT) data series was disaggregated by individual roads in order to monitor individual results of upgraded rehabilitated or constructed roads in the transportation network. |

|     |                     |                                                                                                                                                                                                                                                                   |
|-----|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 18. | Indicator           | Average Annual Daily Traffic Road 4 (Assomada – Rincão)                                                                                                                                                                                                           |
|     | Date                | 10/20/2009                                                                                                                                                                                                                                                        |
|     | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network                                                                                                                                                                                                         |
|     | Activity            | Roads and Bridges Activity                                                                                                                                                                                                                                        |
|     | Original Indicator  | No: New Indicator                                                                                                                                                                                                                                                 |
|     | Modification        | New indicator added to 11Oct10 M&E Plan                                                                                                                                                                                                                           |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive. Average Annual Daily Traffic (AADT) data series was disaggregated by individual roads in order to monitor individual results of upgraded rehabilitated or constructed roads in the transportation network. |

|     |                     |                                                                                                                                                                                                                                                                   |
|-----|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 19. | Indicator           | Average Annual Daily Traffic Road (Vila das Pombas - Eito)                                                                                                                                                                                                        |
|     | Date                | 10/20/2009                                                                                                                                                                                                                                                        |
|     | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network                                                                                                                                                                                                         |
|     | Activity            | Roads and Bridges Activity                                                                                                                                                                                                                                        |
|     | Original Indicator  | No: New Indicator                                                                                                                                                                                                                                                 |
|     | Modification        | New indicator added to 11Oct10 M&E Plan                                                                                                                                                                                                                           |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive. Average Annual Daily Traffic (AADT) data series was disaggregated by individual roads in order to monitor individual results of upgraded rehabilitated or constructed roads in the transportation network. |

|     |                     |                                                                                                                                                                                       |
|-----|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 20. | Indicator           | Average Annual Daily Traffic Bridges Santo Antao (Ribeira Grande and Paul)                                                                                                            |
|     | Date                | 10/20/2009                                                                                                                                                                            |
|     | Project / Objective | Roads & Bridges Project / Improve Rural Transport Network                                                                                                                             |
|     | Activity            | Roads and Bridges Activity                                                                                                                                                            |
|     | Original Indicator  | No: New Indicator                                                                                                                                                                     |
|     | Modification        | New indicator added to 11Oct10 M&E Plan                                                                                                                                               |
|     | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive. "Average Annual Daily Traffic" data series monitors bridge results independent of roads results in the transportation network. |

### Infrastructure Project: Port of Praia Expansion and Modernization Activity (Phase I)

|    |                     |                                                                      |
|----|---------------------|----------------------------------------------------------------------|
| 1. | Indicator           | Port of Praia: percent of contracted works disbursed                 |
|    | Date                | 10/20/2009                                                           |
|    | Project / Objective | Infrastructure Project/Improve the fixed assets of the Port of Praia |
|    | Activity            | Port of Praia Expansion and Modernization Activity: Phase I          |
|    | Original Indicator  | No: New Indicator                                                    |
|    | Modification        | New indicator added to 11Oct10 M&E Plan                              |
|    | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                |

|    |                     |                                                                                                                                                                                     |
|----|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. | Indicator           | Cargo Village: Percent of construction works completed                                                                                                                              |
|    | Date                | 10/20/2009                                                                                                                                                                          |
|    | Project / Objective | Infrastructure Project/Improve the fixed assets of the Port of Praia                                                                                                                |
|    | Activity            | Port of Praia Expansion and Modernization Activity: Phase I                                                                                                                         |
|    | Original Indicator  | No                                                                                                                                                                                  |
|    | Modification        | Indicator retired                                                                                                                                                                   |
|    | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive. Construction and supervisory contractors do not invoice/monitor time and materials for construction of port component works. |

|    |                     |                                                                                                                                                                                     |
|----|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. | Indicator           | Quay 2 improvements: percent of works completed                                                                                                                                     |
|    | Date                | 10/20/2009                                                                                                                                                                          |
|    | Project / Objective | Infrastructure Project/Improve the fixed assets of the Port of Praia                                                                                                                |
|    | Activity            | Port of Praia Expansion and Modernization Activity: Phase I                                                                                                                         |
|    | Original Indicator  | No                                                                                                                                                                                  |
|    | Modification        | Indicator retired                                                                                                                                                                   |
|    | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive. Construction and supervisory contractors do not invoice/monitor time and materials for construction of port component works. |

|    |                     |                                                                                                                                                                                     |
|----|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. | Indicator           | Access Road: percent of works completed                                                                                                                                             |
|    | Date                | 10/20/2009                                                                                                                                                                          |
|    | Project / Objective | Infrastructure Project/Improve the fixed assets of the Port of Praia                                                                                                                |
|    | Activity            | Port of Praia Expansion and Modernization Activity: Phase I                                                                                                                         |
|    | Original Indicator  | No                                                                                                                                                                                  |
|    | Modification        | Indicator retired                                                                                                                                                                   |
|    | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive. Construction and supervisory contractors do not invoice/monitor time and materials for construction of port component works. |



|    |                     |                                                                      |
|----|---------------------|----------------------------------------------------------------------|
| 5. | Indicator           | USD value of Port works contracts signed                             |
|    | Date                | 10/20/2009                                                           |
|    | Project / Objective | Infrastructure Project/Improve the fixed assets of the Port of Praia |
|    | Activity            | Port of Praia Expansion and Modernization Activity: Phase I          |
|    | Original Indicator  | No                                                                   |
|    | Modification        | New indicator added to 11Oct10 M&E Plan                              |
|    | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                |

|    |                     |                                                                      |
|----|---------------------|----------------------------------------------------------------------|
| 6. | Indicator           | USD value of Port works contracts disbursed                          |
|    | Date                | 10/20/2009                                                           |
|    | Project / Objective | Infrastructure Project/Improve the fixed assets of the Port of Praia |
|    | Activity            | Port of Praia Expansion and Modernization Activity: Phase I          |
|    | Original Indicator  | No                                                                   |
|    | Modification        | New indicator added to 11Oct10 M&E Plan                              |
|    | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                |

|    |                     |                                                                                            |
|----|---------------------|--------------------------------------------------------------------------------------------|
| 7. | Indicator           | USD value of Port feasibility, design, supervision and program management contracts signed |
|    | Date                | 10/20/2009                                                                                 |
|    | Project / Objective | Infrastructure Project/Improve the fixed assets of the Port of Praia                       |
|    | Activity            | Port of Praia Expansion and Modernization Activity: Phase I                                |
|    | Original Indicator  | No                                                                                         |
|    | Modification        | New indicator added to 11Oct10 M&E Plan                                                    |
|    | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                                      |

|    |                     |                                                                                               |
|----|---------------------|-----------------------------------------------------------------------------------------------|
| 7. | Indicator           | USD value of Port feasibility, design, supervision and program management contracts disbursed |
|    | Date                | 10/20/2009                                                                                    |
|    | Project / Objective | Infrastructure Project/Improve the fixed assets of the Port of Praia                          |
|    | Activity            | Port of Praia Expansion and Modernization Activity: Phase I                                   |
|    | Original Indicator  | No                                                                                            |
|    | Modification        | New indicator added to 11Oct10 M&E Plan                                                       |
|    | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                                         |

|    |                     |                                                                                                |
|----|---------------------|------------------------------------------------------------------------------------------------|
| 8. | Indicator           | Percentage of Port feasibility, design, supervision and program management contracts disbursed |
|    | Date                | 10/20/2009                                                                                     |
|    | Project / Objective | Infrastructure Project/Improve the fixed assets of the Port of Praia                           |
|    | Activity            | Port of Praia Expansion and Modernization Activity: Phase I                                    |
|    | Original Indicator  | No                                                                                             |
|    | Modification        | New indicator added to 11Oct10 M&E Plan                                                        |
|    | Justification       | Comply with 09/Oct/09 MCC Common Indicators Directive                                          |

### **Attachment 10 : Methodology for Calculating the International Roughness Index**

The means for calculating the IRI for roads is determined by using experience and visual guides to assess roughness index.

| <b>Roughness Range (IRI)</b> | <b>Road Description</b>                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1.5 to 2.5</b>            | Recently bladed surface of fine gravel or soil surface with excellent longitudinal and transverse profile (usually found only in short lengths).                                                                                                                                                                                                                                                            |
| <b>3.5 to 4.5</b>            | Ride comfortable up to 80-100 km/h, aware of gentle undulations or swaying. Negligible depressions (e.g. < 5mm/3m) and no potholes.                                                                                                                                                                                                                                                                         |
| <b>7.5 to 9.0</b>            | Ride comfortable up to 70-80 km/h but aware of sharp movements and some wheel bounce. Frequent shallow/moderate depressions or shallow potholes (e.g. 6-30mm/3m with frequency 5-10 per 50m). Moderate corrugations (e.g. 6-20mm/0.7-1.5m).                                                                                                                                                                 |
| <b>11.5 to 13.0</b>          | Ride comfortable at 50km/h (or 40-70 km/h on specific sections). Frequent moderate transverse depressions (e.g. 20-40mm/3m-5m at frequency 10-20 per 50m) or occasional deep depressions or potholes (e.g. 40-80mm/3m with frequency less than 5 per 50m). Strong corrugations (e.g. > 20mm/0.7-1.5m).                                                                                                      |
| <b>16.0 to 17.5</b>          | Ride comfortable at 30-40 km/h. Frequent deep transverse depressions and/or potholes (e.g. 40-80mm/1.5m at frequency 5-10 per 50m); or occasional very deep depressions (e.g. 80mm/1-5m with frequency less than 5 per 50m) with other shallow depressions. Not possible to avoid all the depressions except the worst.                                                                                     |
| <b>20.0 to 22.0</b>          | Ride comfortable at 20-30 km/h. Speeds higher than 40-50 km/h would cause extreme discomfort and possible damage to the car. On a good general profile: frequent deep depressions and/or potholes (e.g. 40-80mm/1.5m at frequency 10-15 per 50m) and occasional very deep depressions (e.g. > 80mm/0.6-2m). On a poor general profile: frequent moderate defects and depressions (e.g. poor earth surface). |

Source: "Transport, Water and Urban Development: Unpaved Roads' Roughness Estimation by Subjective Evaluation", Rodrigo S. Archondo-Callao, Infrastructure Notes, Transport No. RT-02, October 1999.

#### **Notes:**

A. The "comfortable" ride is relative to a medium-size sedan car with regular independent shock absorber suspension. Ride varies from car to car so detailed descriptions are generally not transportable, but an observer can quickly become "calibrated"

for a given vehicle. The ride sensation can be described by the observer at a speed relevant to the level of roughness being defined. These descriptions can help considerably, but they must be developed for local conditions and vehicle types.

B. Travel Speed (km/h): Travel speed indicates common travelling speeds on dry, straight roads without traffic congestion, with due considerations of care for the vehicle and comfort of the occupants.