



Monitoring and Evaluation Plan

Plano de seguimento e Avaliação

MCA CV II
21-02-2013

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1. PREAMBLE

The second Millennium Challenge Compact, between the United States of America, acting through the Millennium Challenge Corporation (MCC), and the Government of the Republic of Cape Verde (GoCV), acting through the Ministry of Finance and Planning, was signed on February 10, 2012.

The Millennium Challenge Corporation and the Ministry of Finance and Planning (the Parties) recognize that both parties are committed to the shared goals of promoting economic growth and the elimination of extreme poverty in Cape Verde. The Parties agree that the goal of this Compact is to reduce poverty through economic growth in Cape Verde and that the objectives of the Program include (i) to reduce the costs upon the economy of inefficiently provided public services, (ii) to remove institutional conditions that impede private sector investment and (iii) MCC's assistance will be provided in a manner that strengthens good governance, economic freedom, and investments in the people of Cape Verde.

2. LIST OF ACRONYMS

Acronym	Organizational Name (Portuguese)	Organizational Name (English)
ADA	Agência de Distribuição de Água	Water Distribution Agency
ANAS	Agência Nacional de Água e Saneamento	National Agency of Water and Sanitation
ANMCV	Associação Nacional dos Municípios de Cabo-Verde	National Association of Municipals of Cabo-Verde
ARE	Agência de Regulação Económica	Economic Regulation Agency
CM	Camara Municipal	Town Hall
CNAG	Conselho Nacional de Águas	National Water Council
CNAS	Conselho Nacional de Água e Saneamento	National Water and Sanitation Council
DGA	Direcção Geral do Ambiente	Department of Environment
DGDAL	Direcção Geral das Autarquias Locais	Department of Municipalities
DGPCP	Direcção Geral do Património e de Contratação Pública	Department of Patrimony and Public Contract
DGRNI	Direcção-Geral dos Registos, Notariado e Identificação	Department of Registration, Notary and Identification

ELECTRA	Electra - Empresa de Electricidade e Água, SARL	Electra - Electricity and Water Company
ICCP	Instituto Nacional de Cartografia e Cadastro	Institute of Cartography and Land registration
IEFP	Instituto de Emprego e Formação Profissional	Institute of Employment and Professional Training
INE	Instituto Nacional de Estatística	Institute of National Statistics
INGRH	Instituto Nacional de Gestão de Recursos Hídricos	National Institute for Water Resources Management
INERF	Instituto Nacional de Engenharia Rural e Florestal	National Institute for Rural and Forest Engineering
MDR	Ministério de Desenvolvimento Rural	Ministry of Agriculture , Rural Development and Maritime Resources
MAHOT	Ministério do Ambiente, Habitação e Ordenamento de Território	Ministry of Environment, Housing and Territorial (Land) Management
MECC	Ministério da Economia, Crescimento e Competitividade	Ministry of Economic Growth and Competitiveness
MCA	Millennium Challenge Account Unidade de Gestão	Millennium Challenge Account
MCC	Millennium Challenge Corporation	Millennium Challenge Corporation
MJ	Ministério de Justiça	Ministry of Justice
MTIE	Ministério do Turismo, Indústria e Energia	Ministry of Tourism, Industry and Energy
NOSi	NOSi - Núcleo Operacional da Sociedade de Informação	NOSi – Operational Centre of Information
OSC	Organização de Sociedade Civil	Organization of Civil Society
RNI	Registo, Notariado e Identificação	Registry, Notary and Identification
SAAS	Serviços Autónomos de Água e Saneamento	Municipal Water and Sanitation Services Company
SDTIBM	Sociedade de Desenvolvimento Turístico das Ilhas de Boa Vista e Maio	Boa Vista and Maio Islands Touristic Development Company, SA
UCCP	Unidade de Coordenação do Cadastro Predial	Land Registration Coordination Unit
UCRE	Unidade de Coordenação da Reforma do Estado	State Reform Coordination Unit
UniCV	Universidade de Cabo Verde	University of Cape Verde

3. Compact and Objective Overview

Program Description, Goal and Objectives

Strategically located at the crossroads of mid-Atlantic air and sea lanes, Cape Verde continues to exhibit one of Africa's most stable and democratic governments. In 2001, Cape Verde embarked on a transformation agenda aimed at building a self-sustaining high growth economy through policy reforms, private sector led growth, infrastructure development, and institutional changes. The Government of Cape Verde (GoCV) recognizes that in order to alleviate poverty it must continue to improve performance and accelerate important reforms.

The objectives of the Program are to reduce the costs upon the economy of inefficiently provided public services and to remove institutional conditions that impede private sector investment.

The Program consists of 1) the Water, Sanitation and Hygiene Project and 2) the Land Management for Investment Project.

The objective of the Water, Sanitation and Hygiene Project is to establish a financially sound, transparent, and accountable institutional basis for the delivery of water and sanitation services to Cape Verdean households and firms by a) reforming national policy and regulatory institutions, b) transforming inefficient utilities into autonomous corporate entities operating on a commercial basis, and c) improving the quality and reach of infrastructure in the sector.

The objective of the Land Management for Investment Project is to reduce the time required for establishing secure property rights and to establish more conclusive land information in areas of near-term, high development potential in Cape Verde by a) refining the legal, institutional and procedural environment to increase the reliability of land information, achieve greater efficiency in land administration transactions, and strengthen protection of land rights, b) developing and implementing a new land information management system, and c) clarifying parcel rights and boundaries on targeted islands with high investment potential.

3.1 Introduction

Focus on results is one of the core principles on which the Millennium Challenge Corporation (MCC) is founded. The monitoring and evaluation (M&E) of Compacts and their results put that principle into practice. MCC's results framework reflects a commitment to technically rigorous, systematic and transparent methods of projecting, tracking and evaluating the impacts of its programs. Coupled with transparency, this approach is a cornerstone of MCC's commitment to accountability and learning.

Monitoring is the continuous, systematic collection of data on specified indicators to provide indications of progress toward the achievement of desired outcomes, objectives, intermediate and long term results. While good program monitoring is necessary for program management, it is not sufficient for assessing ultimate results. Therefore, MCC advocates the use of different types of evaluations as a complementary tool to better understand the effectiveness of its programs.

Evaluation is the objective, systematic assessment of a program's design, implementation and results. MCC is committed to making its evaluations as rigorous as research opportunities permit in order to understand the causal impacts of MCC-funded projects on desired outcomes, assess project cost

efficiencies and pursue the prospect of making a significant contribution to the body of literature on effective implementation strategies that foster economic growth.

Monitoring and evaluation activities are integrated throughout the entire life cycle of the Compact and extend three to five years into the post-compact period. During Compact development, a clear program logic with associated benchmarks to measure progress towards the achievement of program objectives was identified. Constraints and Economic Analyses were performed on each project proposal submitted to MCC. Analyses included assessing the economic growth rationale for the investment, calculating an economic rate of return (ERR), and conducting associated Beneficiary Analyses; key pillars of the Monitoring and Evaluation Plan (M&E Plan). Multiple variables capturing the benefit streams in the ERR analyses are linked to key performance indicators and targets in the M&E Plan.

Following Compact signing, the Millennium Challenge Account (MCA) and MCC finalized the M&E Plan providing the framework for the monitoring and evaluation of compact activities. The monitoring component of the M&E Plan lays out the methodology and process for assessing progress towards the Compact Goal. It identifies indicators, establishes performance targets and details the data collection and reporting plan to track progress against targets on a quarterly and annual basis. The evaluation component identifies and describes the evaluations that will be conducted, the key evaluation questions and methodologies, and the data collection strategies that will be employed.

Accordingly, the M&E Plan is a tool by which to manage the process of monitoring, evaluating and reporting progress toward Compact results. It is used in conjunction with other tools such as work plans, procurement plans, and financial plans. The M&E Plan serves the following main functions:

- 1) Explains in detail *how* and *what* the MCC and MCA will a) monitor to determine whether the Projects are on track to achieving their intended results and b) evaluate in order to assess implementation strategies, provide lessons learned, determine cost effectiveness and estimate the impact of Compact interventions;
- 2) Includes all indicators that must be reported to MCC on a regular basis during the compact term;
- 3) Includes a description of complementary data to be collected by MCA for evaluation of programs, but not reported to MCC on a regular basis including, for example, qualitative studies;
- 4) Includes any M&E requirements that the MCA must meet in order to receive disbursements; e.g., substantial compliance with the M&E Plan is a condition for approval of each quarterly disbursement request by the country; and
- 5) Serves as a communication tool, so that MCA staff and other stakeholders clearly understand the objectives and targets the MCA is responsible for achieving.

For Compacts where significant results are expected after Compact completion, the Compact M&E plan will also include a description of results that are expected after year 5. In such cases, a Post Compact M&E Plan is developed in order to express the intent of both parties to continue to a) observe the persistence of benefits created under the compact, b) monitor the sustainability of MCC-funded investments and c) learn from post compact evaluations. As per the September 2012 Guidance for Post Compact M&E Plans, said document will be developed in draft form six months prior to the compact end date and will be signed by the parties not later than 120 days following the compact end date.

Following Compact signing, the Compact M&E Summary (Annex III of the Compact Agreement) was used as the basis for M&E Plan development. Compact Annex III M&E Summary indicators are typically not changed in developing a full M&E Plan. However, necessary changes have been

documented in Annex III of the Compact M&E Plan as per Section 4.2 of the MCC May 2012 Policy for Monitoring and Evaluation of Compacts and Threshold Programs.

As per May 2012 MCC “Guidance on Common Indicators”, a focus on results is one of the core principles on which the Millennium Challenge Corporation is founded. An important aspect of this focus is that the MCC and Millennium Challenge Account entities (MCAs) develop and tailor Monitoring and Evaluation Plans (M&E Plans) to the specifics of the particular compact program and country context. However, within these country-specific plans, MCC uses common indicators to aggregate results across countries within certain sectors and to report those results externally to key stakeholders.

It is noted that the following guidance is uniformly applied to the documentation (M&E Plan) and reporting (Indicator Tracking Table) of the Water, Sanitation and Hygiene Project and the Land Management for Investment Project Common Indicators:

- 1) Country-specific aspects of common indicator definitions are detailed in Annex I of the M&E Plan. Targets for performance indicators which are part of the program logic, conditions precedent and/or linked to economic rate of return analyses are established.
- 2) Inputs to the calculation of all indicators expressed as percentages, common or otherwise, are included in the ITT as an indicator input.
- 3) US dollar denominated Common Indicators such as “Value of signed contracts” use the documented exchange rate that the MCA fiscal agent uses in the Quarterly Disbursement Request Package (QDRP) submission.
- 4) Common indicators are reported at certain levels of disaggregation, as specified in the Common Indicator Guidance. However, consistent with said guidance, MCA-Cape Verde will not report on certain disaggregations where disaggregating that data is too costly or infeasible.
- 5) Targets are not reported for disaggregations unless specifically required by the MCA M&E Plan.

3.2 Program Logic

The Compact Goal is to reduce poverty through economic growth in Cape Verde. The Program objectives are to reduce the costs upon the economy of inefficiently provided public services and to remove institutional conditions that impede private sector investment.

Towards these ends, the U.S. Government’s Millennium Challenge Corporation (MCC) signed a five-year US \$66.2 million Compact with the Government of Cape Verde in February 2012. US \$41.1 million is designated for the Water, Sanitation and Hygiene Project; the forecast economic rate of returns (ERR) is 15.1% for the combined National Institutional and Regulatory Reform Activities and 11.0 % for the Infrastructure Grant Facility Activity. US \$17.3 million is designated for the Land Management for Investment Project; the forecast ERR is 22.0%. Refer to the Projected Economic Benefits analyses discussed in Section 3.3.

The Compact consists of two projects in two distinct sectors; i.e., Water, Sanitation and Hygiene and the Land Tenure Services.

The objective of the Water, Sanitation and Hygiene Project is to establish a financially sound, transparent and accountable institutional basis for the delivery of water and sanitation services to Cape Verdean households and firms. The outcomes of the Project activities include: (a) institutions and

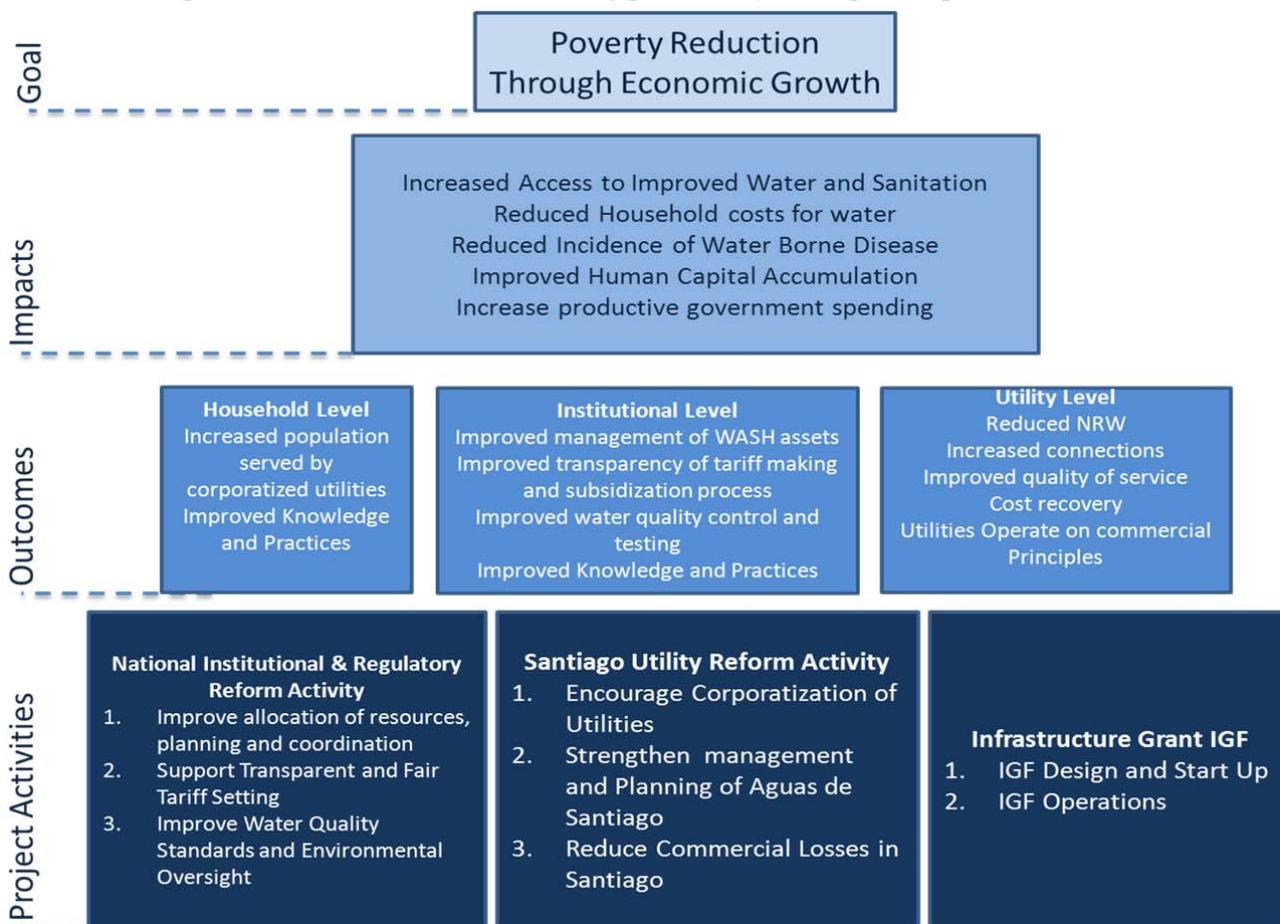
procedures required for the regulation of corporatized utilities providing water and sanitation services and operating according to commercial principles; (b) the establishment and operation of commercially oriented water utilities; (c) improved cost-effectiveness of services; and (d) improved extent, quality and reliability of services provided.

The objective of the Land Management for Investment Project is to reduce the time required for establishing secure property rights and to establish more conclusive land information in areas of near-term high development potential in Cape Verde. The outcomes of the Project activities include: (a) a reduction in the average time required to establish a clear property right and to complete other land-related transactions; (b) an increase in the reliability of land rights and boundaries information; and (c) an increase in the level of development activity on targeted islands, resulting in higher levels of employment, in response to reductions in lead time to investment.

Refer to the summary graphical representations of the Water, Sanitation and Hygiene Project and Land Management for Investment Project logic listed below. The combined results of the Program are expected to contribute to Cape Verde’s own poverty reduction and economic growth goals as defined in the Cape Verde development strategy. Detailed graphic representations of the Program logic for the Water, Sanitation and Hygiene Project and the Land Management for Investment Project are attached as Annexes IV and V, respectively.

3.2.1 Water, Sanitation and Hygiene Project Logic

Figure 1: Water, Sanitation and Hygiene Project Logic Graphic



3.2.2 Water, Sanitation and Hygiene Project

Background

Cape Verde is an extremely water-scarce country and relies heavily on desalinization of water, which is an expensive and energy-intensive process. The water, sanitation and hygiene (WASH) sector in Cape Verde is characterized by relatively poor levels of service including intermittent water supply. Domestic water consumption per capita is approximately 35 liters per day, half that of a lower-middle income peer group of countries, and barely above subsistence levels. As a result, Cape Verde has one of the highest water tariffs in Africa and the world. The poor, and particularly female-headed households, are especially vulnerable as only 9 percent of poor households have access to the networked public water supply. Additionally, Cape Verde is not on track to meet its Millennium Development Goal for sanitation. Low levels of water supply, combined with a population in which over 50 percent is without any access to improved sanitation services, results in significant public health problems, including diarrhea, dengue, cholera and malaria.

The WASH sector is marked by dispersed responsibilities across a large number of stakeholders, skewed incentives, a lack of institutional accountability, fragmented and overlapping authority, and conflicting legislation which impedes good planning and efficient operations in the sector. The GoCV has recently undertaken a number of important preliminary steps to improve the legal and regulatory framework. However, further significant reform and restructuring of the sector are required to ensure that the benefits of planned infrastructure improvements can be achieved.

Summary of Water, Sanitation and Hygiene Project and Activities

The objective of the Water, Sanitation and Hygiene Project (WASH Project) is to install a financially sound, transparent and accountable institutional basis for the delivery of water and sanitation services to Cape Verdean households and firms by 1) reforming national policy and regulatory institutions, 2) transforming inefficient utilities into autonomous corporate entities operating on a commercial basis and 3) improving the quality and reach of infrastructure in the sector. The WASH Project is comprised of three activities and six sub-activities as described below.

1. National Institutional and Regulatory Reform Activity

The GoCV is committed to undertaking institutional and regulatory reform activities at the national level in order to improve planning systems, regulatory processes and the setting of tariffs.

During the Compact term, the Government will create a new National Agency for Water and Sanitation (ANAS), which will be responsible for policy and planning of all water resources, domestic water supply, wastewater, and sanitation. ANAS will be guided by a National Water and Sanitation Council (CNAS), where core ministries, municipalities, private sector and civil society will be represented and will ensure that sector policies are aligned with overall government policy direction. The Government will also strengthen the existing Economic Regulatory Agency (ARE) to better regulate economic and technical aspects of the WASH sector, including setting tariffs. The General Directorate of the Environment (DGA) will expand its existing functions on environmental protection to include water and wastewater quality. Finally, social and gender objectives will be integrated into policy and planning at ANAS, CNAS, ARE, and other national institutions as relevant.

A significant number of National Institutional and Regulatory Reform activities involve conducting studies and developing action plans that translate into the adoption of new sectorial policy and

institutional change. In order to facilitate the reform process, MCA-CV II has signed implementing entity agreements with a) the Ministry of Environment, Housing and Territorial Management as well as with b) the Economic Regulation Agency. Said implementing entity agreements a) identify the aforementioned organizations as stakeholder counterpart agencies, b) defines their respective institutional roles and responsibilities, c) specifies activities to be conducted and d) establishes a clear set of deliverables to be produced in accordance with the design specifications jointly agreed upon with MCC in support of achieving desired institutional and regulatory reforms over the term of the five year compact.

The GoCV will support the operational costs for the new and strengthened agencies with its own resources. MCC will support the design and operationalization of the proposed institutional changes with MCC funding for the following three sub-activities:

A. Improve Allocation of Resources, Planning, and Coordination Sub-Activity

This sub-activity aims to improve the allocation of resources mobilized for the sector, improve the coordination of sector activities and improve sector planning with a clear definition of sector priorities. During the project development process and to facilitate implementation of this Compact, MCC agreed to support the development of a Strategic National Master Plan (Master Plan) and strategic environmental and social assessment (SESA) for the WASH sector. The Strategic National Master Plan will serve as the basis for sector planning, resource allocation, and investment coordination. Refer to Annex I-3 of the compact agreement for a detailed description of the technical assistance, training and information, education and communication activities.

B. Support Transparent and Fair Tariff Setting Sub-Activity

This sub-activity will support the move to transparent and fair tariff setting, to better reflect the cost of service, and to improve the financial well-being and sustainability of utilities. Tariff support will also include assistance for the formation of appropriate pro-poor tariff policies. Specifically, MCC Funding will assess the current financial state of utilities nationally, and on Santiago particularly, with the goal of identifying the true cost of the existing systemic sector inefficiencies, impacts of these costs and inefficiencies on cost of service rates, and tariff and regulatory strategies for transitioning to a financially self-sustaining system.

C. Improve Water Quality Standards and Environmental Oversight Sub-Activity

MCC funding will support technical assistance to DGA for the development of existing functions on environmental protection, with an emphasis on potable water and wastewater quality, and to develop new water quality and wastewater discharge standards, including appropriate wastewater treatment technologies and associated standards for wastewater reuse.

2. Utility Reform Activity

The Utility Reform Activity will promote the transition of existing service providers to increased financial and administrative autonomy and operation based on commercial principles. MCC will focus its assistance on the Island of Santiago to support the formation of a new, multi-municipal utility that covers all or most of the island (Aguas de Santiago). The Parties expect that this Activity will create a blueprint for utilities in other parts of the country.

A. Encourage Corporatization of Utilities Sub-Activity

MCC funding will support the design and establishment of Águas de Santiago, including a legal review and the preparation of organizational documents, staffing requirements, position descriptions, internal policies and operating procedures, and a plan for recruiting and transitioning staff to the new utility.

B. Strengthen Management and Planning of Águas de Santiago Sub-Activity

MCC funding will support: 1) a long-term strategic investment and business plan, capital improvement, and business plans for the water and sanitation sector on Santiago pursuant to the guidance emerging from the Master Plan and SESA. While these plans will be long-term and strategic in nature, they will assess the condition of existing water and sanitation systems and identify any immediate infrastructure and operational needs. The plans will also improve the management of water resources by ensuring an integrated approach to infrastructure planning; 2) technical assistance for water sector utility operations and management, including technical, financial, commercial, legal, environmental, investment planning, procurement, contract management, and social and gender practices; 3) the acquisition and implementation of, and training on, management information systems and identified hardware and software, such as GIS, asset management, billing and customer management systems, and office equipment (to be funded by MCC and GoCV); 4) information, education and communication (IEC) campaigns that include outreach by utilities and/or non-governmental organizations (NGO's).

The objective of the IEC campaigns is to improve communication between the utility and its customers, with a focus on developing an understanding of the cost of services and culture of payment by users, promoting efficient water use and conservation, and other aspects necessary to increase impact and sustainability of the reforms; and 5) technical and vocational education and training (TVET) to the staff of Águas de Santiago to improve their ability to carry out their roles and responsibilities and to any redundant staff to assist their transition to new functions and responsibilities in other government agencies or in the private sector.

C. Reduce Commercial Losses in Santiago Sub-Activity

Non-revenue water (NRW) at existing municipal water and sanitation entities (SAAS) in Santiago is estimated to be approximately 50 percent. MCC funding will support a NRW study for service providers on Santiago (municipal SAASs, the Water Distribution Agency of Praia (ADA), and the national electricity utility with responsibility for water provision to select municipalities (ELECTRA) in order to provide better estimates of the level of losses in each service provider, assess the reductions likely achievable through improved commercial and technical management practices, and identify potential solutions to improve both technical and commercial aspects of NRW management. The study will provide a detailed strategy, and identify specific management actions and physical investments, for reducing NRW. Support from the “Strengthen Management and Planning of Aguas de Santiago Sub-Activity” will be provided to improve customer billing databases, asset inventories, and other business operational elements that contribute to high NRW. Subject to prior approval by MCC, MCC funding may be used to implement priority investments identified in the aforementioned study to reduce NRW losses for Aguas de Santiago under this sub-activity; these may include but are not limited to instituting demand management areas and meter replacement programs.

3. Infrastructure Grant Facility Activity

In order to promote continued national level reform, incentivize and reward utility reform, and improve investment planning, the Parties will support the establishment of an Infrastructure Grant Facility (IGF) to fund much needed infrastructure and capital improvements in the WASH sector.

MCC will make funds available to the IGF in three tranches as national policy and utility reform conditions precedent are met. The IGF will provide grants on a competitive basis to utilities that qualify based on continuous improvement on commercialization of operations. Grant applications from qualified utilities will be evaluated based on a set of transparent financial, economic, technical, operational, environmental, and gender and social criteria.

The objective of the IGF is to provide grants for three categories of projects: Category I – studies and technical assistance; Category II – existing network improvements and off-network improvements; and Category III – network expansion. The categories reflect the level of complexity to implement these projects, and utility applicants will be required to demonstrate incremental progress towards corporatization to be eligible for funding under Categories II and III. Category II and III projects will include financial support for IEC and TVET activities connected to specific infrastructure projects as identified during the design phase. Utility IEC campaigns will be funded by MCC through eligible Category II and III projects that benefit from IGF funding. MCC will fund the following IEC requirements: needs assessment of targeted communities, identify partners, set IEC campaign goal, establish IEC campaign objectives, define IEC strategy and campaign design, conduct pilot study, review barriers /set solutions, execute IEC campaign, conduct campaign evaluation, and design next phase of program. According to the IEC strategic rules established by ANAS, the IEC will be managed by the multi-municipal utilities, It is noted that the IGF will have a pool of funds to assist poor and female-headed households to overcome access barriers to WASH services.

The eligibility requirements, project selection criteria, and operations and management procedures of the IGF, will be set forth in an operations manual to be approved by the Government and MCC.

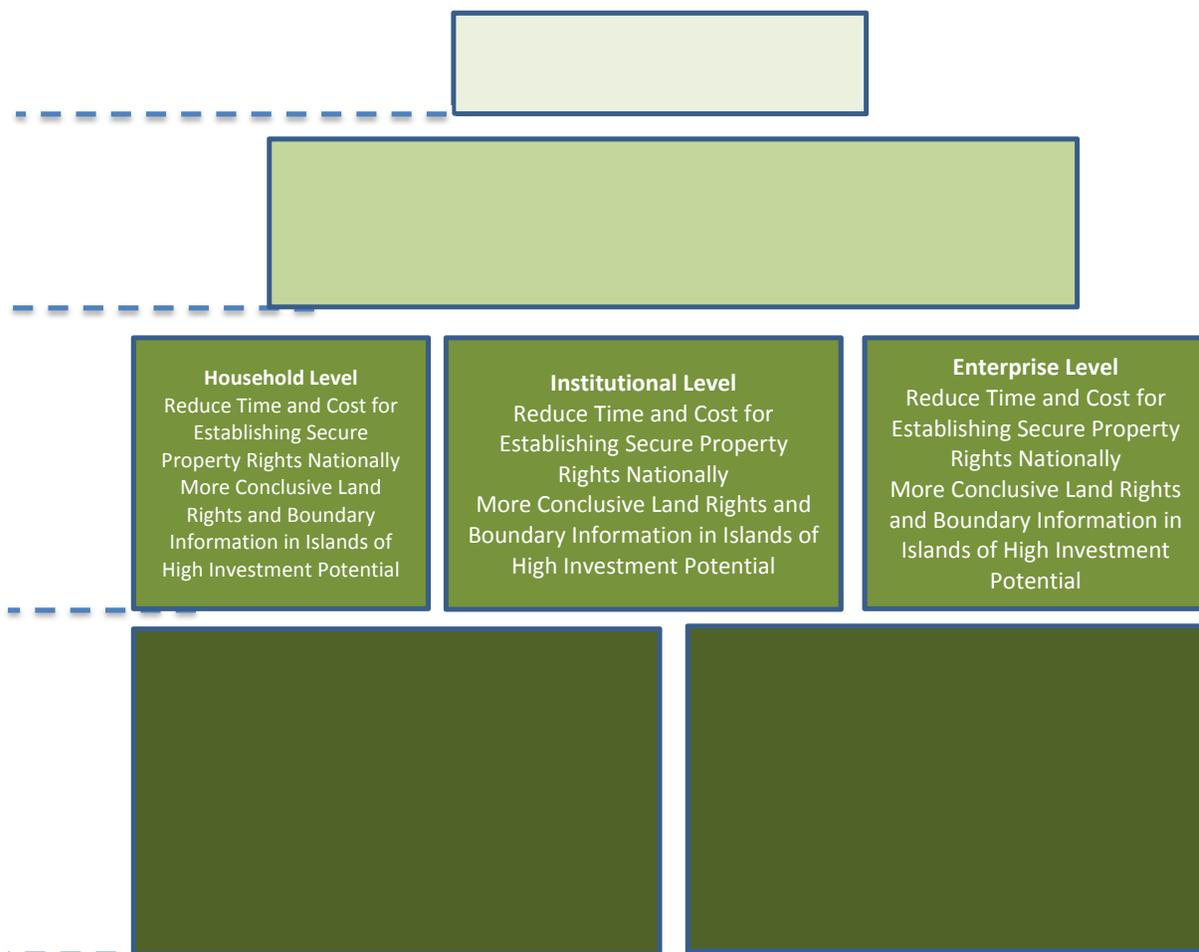
The Parties expect that the IGF will initially be managed by MCA-Cape Verde II with the support of advisory services as the Parties deem necessary and eventually will be transferred to ANAS when it is deemed to have sufficient capacity to administer and manage the facility according to such management tools as the ANAS Operational and Organizational Manuals. A technical evaluation panel will carry out detailed evaluations, provide technical assessments, and score proposed projects. An executive committee of the MCA-Cape Verde II Steering Committee will oversee the IGF and approve projects that pass established selection criteria and technical evaluation. The amount of MCC funds allocated for feasibility studies under Category I of the IGF will not exceed 20 percent, unless otherwise agreed by MCC. Each grant will also be subject to MCC no objection.

MCC funding will also support the development of an environmental and social management framework for the IGF, acceptable to the Government and MCC, to define the guiding environmental and social principles and to create procedures that will be included in the operations manual for assessing proposals against these objectives.

As set forth more specifically in the Program Implementation Agreement, MCC Funding for the IGF will be made available incrementally subject to the achievement of reform milestones.

3.2.3 Land Management for Investment Project Logic

Figure 2: Land Management for Investment Project Logic Graphic



3.2.4 Land Management for Investment Project

Background

In Cape Verde, no conclusive source of information about land property exists. Two different land registries contain partial information about only a limited share of the country's land parcels. Additional records systems hold information about state-owned land. No source contains complete map-based information indicating actual location of a parcel of land over which a right is claimed. Confusion over ownership and boundaries has resulted in unauthorized land sales and the delay or cancellation of public as well as private investment projects and limits the ability of small firms and households to create value and increase incomes through investment in their property. The land rights registration process is time-consuming and costly for all land users, hampering domestic and foreign investment and economic growth. The Government seeks to create a single reliable and more easily accessible source of land rights and land boundaries information in order to strengthen Cape Verde's investment climate and to reduce land rights registration and transaction time and cost.

Summary of Land Management for Investment Project and Activities

The objective of the Land Management for Investment Project (Land Project) is to reduce the time required for establishing secure property rights and to establish more conclusive land information in areas of near-term high development potential in Cape Verde by a) refining the legal, institutional and procedural environment to create conditions for increased reliability of land information, greater efficiency in land administration transactions, and strengthened protection of land rights, b) developing and implementing a new land information management system, and c) clarifying parcel rights and boundaries on targeted islands with high investment potential. The Land Project is comprised of two Activities as described below.

1. Legal and Institutional Foundations Activity

The Legal and Institutional Foundations Activity (Foundations Activity) will consist of the two principal sub-activities described below.

A. Develop Legal, Institutional and Procedural Foundations Sub-Activity

Under this sub-activity, MCC funding will support: 1) legal and regulatory analysis, recommendations, and drafting of regulatory texts and procedural manuals for improved operations and coordination by land administration institutions over the long term; 2) design of legal, regulatory and procedural tools and manuals enabling implementation and achievement of the objectives of the Rights and Boundaries Activity (described below); and 3) stakeholder workshops and public outreach.

B. Develop and Install Land Information and Transaction Systems Sub-Activity

Under this sub-activity, MCC funding will support: 1) technical assistance to computerize and link existing information about land rights and land parcels held in the paper-based Ministry of Justice registry system and in different municipal departments; 2) the design of a computerized land information system that will be used by the Ministry of Justice's Registry and Notary and by municipal governments to efficiently manage and access information within their area of legal competence; 3) system programming work consistent with the new institutional and procedural arrangements and data access protocols; and 4) installation of the system, acquisition of relevant hardware and software for system operations, training for users, and public outreach.

Under the aforementioned technical assistance, MCC will fund support for the development of a standards survey, foundation database, legal texts, information system development and Operations Manual of the Land Project. Regarding infrastructure and equipment, MCC will fund the development, installation and equipping of the Land Management Information and Transaction System (LMITS) and the stakeholder organization offices to which LMITS will be deployed.

2. Rights and Boundaries Activity

Building on the Foundations Activity, the Rights and Boundaries Activity will support actual clarification of parcel rights and boundaries in targeted islands with high tourism investment potential, including through capacity building of key institutions.

The objective of the Clarification of Parcel Rights and Boundaries Activity is to ensure greater legal trust in property rights through centralization of information and by increasing legal safe guards while simultaneously reducing time and cost in property transactions.

Clarification of Parcel Rights and Boundaries will result in documentation of 1) descriptive information containing data on ownership, tax value, area measurements, location and other types of rights as well as 2) graphic representation of area, boundaries and location of the property.

Subject to the satisfaction of the mutually agreed upon conditions precedent, MCC funding will support: a) communications, b) outreach and training (including topics on environmental and social risk management and planning as well as production and management of geographic information, c) inter-office linking of rights and boundary information where data exists, d) field-based clarification of boundaries through map consultation and surveying, e) field-based clarification of rights through consultation of existing records and information gathering and consultation with current occupants, f) rights adjudication recommendations made based on regulations and procedures agreed as a result of the Foundations Activity, g) public noticing of rights and boundary claims and requirements/opportunities for submission of or objection to claims, h) dispute resolution assistance through mediation and/or arbitration processes, i) training of mediators and equipping premises (Casas do Direito) for addressing conflict resolution cases, j) utilization of a resettlement policy framework tool as needed per International Finance Corporation Performance Standard No. 5, k) registration of rights that can be adjudicated and l) inputting of final boundary and rights information into the land information and transaction management system created under the Foundations Activity.

The Rights and Boundaries Activity will cover areas of land claimed or held as a) private property, b) property of the national government, and c) property of municipal governments. The Activity will commence as a pilot on the island of Sal and be scaled to up to three other targeted islands subject to satisfaction of the mutually agreed upon conditions precedent. Should the Parties agree that additional funds remain in the Rights and Boundaries Activity after completion of Sal and commitment of sufficient funding (including adequate contingencies) for the three additional islands, the Parties may allocate any remaining funds to implement the Activity on other islands, based on criteria to be agreed by MCC and MCA-Cape Verde II.

3.3 Projected Economic Benefits

3.3.1 Water, Sanitation, and Hygiene Project ERR

Analytic Approach

The analysis attempts to capture first order effects: changes in behavior that represent the broadest elements of benefits, which, on their merits alone, should provide clear indication of the likelihood of satisfactory outcomes. Many of the proposed interventions aim to achieve modified policies, institutions and institutional procedures as outputs. Such outputs have significance only to the extent that they actually lead to changes that have definable consequences within the economy. The institutional interventions of the proposed compact have as their primary objective a change in governance in the water and sanitation sector to improve the delivery of services. This is important because the present provision of services is limited, inefficient and wasteful, while water is a very expensive good for the economy to supply. The inefficiency creates increasing demands upon public resources. The expected outcome, therefore, that is the focus of the analysis is a reduction in cost of that inefficiency to the economy. As the institutional and policy environment is assembled to provide

utilities incentives to operate accountably, it is expected that the formation of ring-fenced utilities in Cape Verde will expand, first of all on the island of Santiago, the cost of services will appreciably decrease and significant progress toward financial sustainability will be observed.

The analytic approach for estimating the Project Economic Benefits, is based on a World Bank publication authored by Blanca Moreno-Dodson, titled *“Assessing the Impact of Public Spending on Growth An Empirical Analysis for Seven Fast Growing Countries”*, The World Bank (Poverty Reduction and Economic Management Network), WPS4663, July 2008.

Utility Reform

A primary focus of this analysis is the estimated impact of releasing general fiscal resources from financing the commercial losses of existing operations that are presently distributed among various institutions. Several elements determine the fiscal impact; including, average cost of supply, quantities of water distributed (which are related to population size, growth, water demand and both system and system losses) and the estimated response of GDP growth per capita to re-allocations from unproductive to productive government spending. In the analysis, demands upon fiscal budgets to cover operational and/or commercial losses represent an element of unproductive government spending.

The analysis focuses on conditions prevailing on the island of Santiago, on which half of the population of Cape Verde is located. The results estimated for Santiago are used as a proxy for the rest of the archipelago.

Infrastructure Grant Facility

This analysis is based on a model that predicts an expected pattern of investments that might occur under the new institutional and policy environment, with a number of unknowns and variables with assumed ranges producing different estimates of impact. The model is then run numerous times, generating many possible outcomes for investments that might be considered during the compact implementation period, based on the current understanding of the uncertainty of outcomes and performance of the facility, and those outcomes are aggregated to produce average results (over many possible futures of the compact implementation). In this way, a scenario of facility activity and outcomes is constructed. Many such scenarios are simulated and the results averaged to produce the expected return for the facility.

Base Results and Sensitivity

Utility Reform

Total proposed costs for the National Institutional and Regulatory Reform and Utility Reform Activities, including price contingencies, are estimated at \$ 20.5 million.

The expected base return to the proposed institutional development is estimated at 15% with a standard deviation of 1.3%. That is, the expected ERR is expected to lie in an interval between 12% and 18% with 95% probability. This is calculated on total base investment costs, excluding price contingencies, of about \$ 18.7 million.

Cost elements used in this analysis includes:

- the design of CNAS and ANAS,
- ANAS capacity building,
- legal and legislative review,
- redrafting of national legislation,
- multiple-municipal utility (MMU) economic viability study,
- drafting of water quality standards,
- legal review for establishing MMUs,
- technical assistance (TA) for national institutions,
- infrastructure needs study for Santiago,
- assessment of water and sanitation systems for Santiago island,
- last mile connections study for Santiago Island,
- MMU TA and other elements of national institutional and regulatory reform.

The principal drivers of the base result are:

- the average cost of water supply;
- the expected extent of reduction in commercial losses; and
- the incremental growth effect of releasing the use of government from unproductive to productive spending.

Results of a recent study of high growth economies, to which Cape Verde would be comparable, found on average a 1% reallocation of government expenditure shifted from unproductive to productive spending leads to an increase in per capita GDP growth of 0.35%. Presently, average per capita growth is estimated at about 5.3% through year 2016. Afterwards, average per capita growth is expected to lower to approximately 3.9%. If there were no improvement on the scale of commercial losses but only a 13% reduction in the average cost of water, under the base assumption regarding the fiscal impact, the point estimate for the ERR is about 11%. This would correspond to a fiscal impact of about 0.1% of GDP following completion of the compact. Reduction of commercial losses from 20% to 10% increases this point estimate by about five points. Together, the anticipated reduction in water costs and commercial losses would represent a level of government expenditure that is about 0.18% of GDP. All other things remaining the same as in the base case, a 10% reduction in the fiscal impact parameter (from 0.35% to 0.32%) lowers the ERR to about 14%. A 20% reduction (from 0.35% to 0.28%) results in an ERR of about 12%. These results would be higher should improve management within the sector also lead to reductions in technical losses.

These results depend upon the establishment of one or more MMUs on Santiago Island within two years of the compact period and establishment of MMUs throughout the rest of Cape Verde following the end of compact implementation. The results of the base case do not critically depend upon the full corporatization of utilities outside Santiago. The extension of benefits to the rest of Cape Verde following 2017 accounts for about four percentage points in the base ERR estimate.

Infrastructure Grant Facility

Total proposed activity costs, including contingencies, are estimated at \$ 29.0 million. This includes the capital fund (\$ 26.5 million), and the design, ESMF and operational costs of the facility (\$ 2.5 million). The MCC share of total costs is \$ 22.3 million, including contingencies.

The analysis proceeds as if assessed returns of proposals presented to the facility are drawn from a distribution of returns for water and sanitation projects. The analysis attempted to use 'pipeline' projects assembled by the independent engineer (IE) to gauge the distribution of possible returns to investment projects submitted to the facility.

For the simulation trials, the analysis initially assumed that \$ 17.9 million would be available for capital investments and the remainder would be available for feasibility studies and due diligence. Work flow and the investment amounts of proposals are uncertain. The fund total in 2011 values is approximately \$ 22.4 million. The analysis allows the average number of proposals processed each year of operation to vary from 4 to 10. Average costs of proposal preparation and due diligence financed out of the fund are assessed at 20% of a proposal amount. For assessing the return to the facility as an investment proposal in itself, such costs of preparation and due diligence enter the total costs of the facility whether individual fund applications are approved or not. A threshold of 12% is applied, which means in each trial a certain number of applications for capital development will be rejected. In implementation, each individual investment that is accepted for financing by the facility needs to pass a high enough ERR threshold to ensure that the returns of projects that do move forward compensate the costs of running the facility operation, including the cost of preparing and assessing proposals that are rejected. The analysis demonstrates that, on the average, a threshold of 12% accomplishes this requirement. The investment amounts of proposals were allowed to range from \$ 500,000 to \$ 5 million per proposal.

For this base run, after 8,000 trials, the expected ERR for the facility under these conditions is approximately 11% with a standard deviation of 12%. That is, the expected ERR is expected to lie in an interval between -12% and 34% with 95% probability. The simulation indicates that about \$ 13.8 million (in 2011 values) would be invested in various projects, about \$ 7.1 million would be used in proposal preparation and due diligence costs and about \$ 1.4 million (in constant values) of the fund would go undisbursed.

Refer to Table 1, listed below, for a summary of Economic Rates of Return disaggregated by WASH Activity

Table 1: Summary of Economic Rates of Return

	Project/Activity/Sub-Activity	Original ERR	Current ERR
1	Water, Sanitation and Hygiene Project		
1.1	National Institutional and Regulatory Reform Activity	15,1%	
1.1.1	Improve Allocation of Resources, Planning, and Coordination Sub-Activity		
1.1.2	Support Transparent and Fair Tariff Setting Sub-Activity		
1.1.3	Improve Water Quality Standards and Environmental Oversight Sub-Activity		
1.2	Utility Reform Activity		
1.2.1	Encourage Corporatization of Utilities Sub-Activity		
1.2.2	Strengthen Management and Planning of Aguas de Santiago Sub-Activity		
1.2.3	Reduce Commercial Losses in Santiago Sub-Activity		
1.3	Infrastructure Grant Facility Activity	11,0%	

3.3.2 Land Management for Investment Project ERR

Analytic Approach

Tourism has been one of the economy’s principal drivers over the last ten years and the country’s development strategy continues to place strong emphasis on developing tourism development zones on the islands of Sal, Boa Vista, Sao Vicente and Maio to generate employment opportunities and income. The analysis considers the impact of reducing the time required to register property as it affects tourism development.

As tourism is a key economic driver, the projected tourism impact was selected as the most quantifiable ERR model with demonstrable and observable impact within a short/medium term timeframe. Other potential benefits at the national level due to the legislative and management information system reform, or other benefits to the populations of the target islands beyond the impact of tourism, are not included in the model. Given the importance of tourism to the economy and the identification of the present land registration regime as a prominent impediment to investment, improvement of the situation should trigger a prominent response in investor behavior in this sector, if nowhere else.

Benefit streams include incremental value added from tourism receipts and from construction. The analysis focuses on the implications for development on Sal and Boa Vista islands, as these two

islands comprise over 90 percent of total tourist bed-nights and in the short run these two islands will continue to be well positioned in terms of existing and planned infrastructure development to continue to attract foreign investment. In the analysis, construction of accommodation requires two years.

Over the past ten years, the number of available beds on Sal has grown annually at about 9 percent. In recent years, tourist accommodations on Boa Vista have increased at an annual rate of over 17 percent. Although Cape Verde has also been affected by the global economic downturn, tourism trade now appears to have rebounded to above 2008 levels and is rapidly tapping into new European markets. Although it would be optimistic to forecast 15% growth in tourist stays, 5% growth might represent a reasonable lower bound – particularly in reference to the recent performance of tourism in Europe. The base case of the analysis maintains growth of the Cape Verdean tourism market at the same historic trend (9%) for both islands through the year 2016 and then assumes 5% growth thereafter.

Tourism has developed for a longer period on Sal than at other island locations. Given the island's relatively small size, development potentially reaches a limit within a decade or so. This feature is modeled in the analysis and its principal effect is that total tourism and employment development remain the same in over the analysis period; although, in the with-project case maximum development is realized sooner.

After Sal, tourism is most developed on the island of Boa Vista. The development of accommodation on Sao Vicente is much more modest than on Sal and Boa Vista, but is growing. Due to the lack of much basic infrastructure to develop the industry in a similar way, tourism presently is extremely limited on the island of Maio. The development of this island is regarded as a long-term objective. For the purposes of this analysis, the prospects of speculative impacts on the future development of Maio have been excluded.

Presently accommodations on Sal realize over 1.2 million bed-nights and for Boa Vista the figure approaches 800,000. Stays on Sao Vicente account for approximately 9% of total bed-nights. On average, tourism generates approximately \$ 77 of income to Cape Verde per day of a tourist's stay. The economic assessment assumes that system improvements are not fully realized until 2014: in the third year of the compact's implementation, assuming EIF by mid-2012. For the modeling, where time for property registration is shortened by two years, this means that construction starting in 2014, following prior registration of property rights, and finishing in 2016 is augmented by construction that would have been completed in 2018, given a process that starts in 2014 under the status quo (which spans two years for securing property rights and two years for construction). In the analysis total investment costs in mid-2011 values, excluding price contingencies, include national fixed costs of approximately \$ 10.4 million. Compact investment costs for Sal, excluding compact administration and management costs, have been estimated at \$ 1.9 million. For Boa Vista, estimated investment costs amount to approximately \$ 2.5 million. Costs for work on Sa0 Vicente amount to about \$ 3.9 million. Total estimated project costs, excluding contingencies, amount to about \$ 18.8 million. Total costs including contingencies are about \$ 20 million.

The analyses are expressed in constant mid-2011 values. An exchange rate of US\$ 1 = 77 Cape Verde Escudos (CVE) was used to convert between dollars and escudos. The time horizon for the analyses is twenty years. The ERR estimates include compact administration and management costs.

Base Results

The primary determinant of the economic assessment is the time required to register property value, and to a lesser extent, value added per bed-night, accelerated value added from construction, constant occupancy rates and tourism growth rates following 2016. In the base case, where the lag until new construction starts is reduced by two years and total base costs are on the order of \$ 18.8 million, the

total estimated ERR is about 22% (with a standard deviation of 4%). Based on the uncertainties modeled in the analysis, the estimated likelihood is 95% that this result falls within an interval between 14% and 30%. For the project to deliver its projected returns, the project activities must successfully transform processes used to secure property rights in a way that signals a significant reduction of time to investment. Refer to Table 2, listed below, for a summary of Economic Rates of Return disaggregated by LAND Activity.

Table 3: Summary of Economic Rates of Return

	Project/Activity/Sub-Activity	Original ERR	Current ERR
2	Land Management for Investment Project		
2.1	Legal and Institutional Foundations Activity	22%	
2.1.1	Develop Legal, Institutional and Procedural Foundations Sub-Activity		
2.1.2	Develop and Install Land Information and Transaction Systems Sub-Activity		
2.2	Rights and Boundaries Activity		

3.4 Program Beneficiaries

The Cape Verde Compact II is a Program whose objectives are to reduce the costs upon the economy of inefficiently provided public services and to remove institutional conditions that impede private sector investment. Beneficiary analysis is used to estimate the impact of Compact Projects on the population and households. Beneficiaries of the projects are individuals or households who realize improved standards of living, primarily through improved income, as a result of the economic gains generated by the investments. The participants on the other hand are groups of peoples who will utilize services provided by the MCC funding or enjoy outputs from the Projects. The estimated total number of beneficiaries for the Cape Verde Compact II over 20 years is 603,000 individuals, corresponding to the sum of beneficiaries of both projects: Water, Sanitation and Hygiene (590,000) and Land Management for investment (13,000), respectively.

The Water, Sanitation and Hygiene Project is designed to remediate the problem of the extreme water-scarcity, high cost and poor service levels of the water and sanitation sector as a binding constraint to growth.

Water availability in the urban and peri-urban areas on the Island of Santiago can be characterized, at best, as intermittent with most networked households limited to receiving water from two to three

times weekly for a reduced number of hours on service delivery days. In such circumstances, households rely on storage tanks and supplemental water tanker delivery services providing lesser quality and more costly potable water for household consumption. Urban and peri-urban households without the benefit of storage tanks rely on intermittent supplies from public fountains. According to an MCC-funded 2011 Water and Sanitation Baseline Survey, 86% of population of Santiago had access to improved drinking water. According to the 2012 DECRP III, the access to improved drinking water in the rural area of Cape Verde was around 70% in 2010. Notwithstanding, it is important to note that such access is intermittent, costly and unreliable.

According to the MCC-funded 2011 Water and Sanitation Baseline Survey approximately 60% of the Santiago Island urban population has access to improved sanitation facilities whereas access to sanitation facilities in the rural area of Cape Verde is reported at 42% in 2010 (2012 DECRP III).

It is also noted that women generally assume the primary responsibility for off-network water gathering activities and as primary care givers for the young, sick and elderly, have additional special needs for access to improved reliable potable water supply and improved sanitation and wastewater disposal facilities.

As the poor have fewer economic means to spend on water and sanitation services, the poor are obliged to spend a larger percentage of their disposable income, or equivalent in time in water gathering activities, for access to improved water sources. The poor, and particularly female head-of-households, are especially vulnerable as only 9% (SGIP Plan, 2012) of poor households have access to the networked public water supply. Lack of access to improved drinking water and sanitation facilities result in significant public health problems, including diarrhea, dengue, cholera and malaria.

A primary objective of the Land Management for Investment Project is to improve Cape Verde's investment climate targeting islands with high tourism investment potential. It is expected that the improvement of the legal, policy, and institutional environment and the implementation of a unified land information system will strengthen the protection of land rights and provide greater efficiency in land transactions leading to increasing domestic and foreign investment, especially in the tourism sector. Benefit streams include incremental value added from tourism receipts and from increased employment opportunities generated from construction activities.

Initial beneficiaries of the Land Management for Investment Project include investors (national and foreign) and the general population (urban and rural) of the islands of Sal, Boa Vista, São Vicente and Maio. Longer term beneficiaries are the general national of Cape Verde.

The poor and other vulnerable groups are generally at a disadvantage in securing land rights. Low literacy (including legal literacy), lack of knowledge about official processes, lack of identity papers, and the inability to afford fees for registering property or for resolving conflicts through the court system are among some of the principle constraints to securing property rights.

The Land Management for Investment Project seeks to mitigate such risks to the poor and vulnerable groups. In the initial months of Project start-up, property registration and conflict mediation is either free or available at a reduced cost and IEC campaigns will be conducted to instruct beneficiaries on

preparing property registration documents and for initiating processes for mediating conflicts and/or resolving legal disputes.

Individual beneficiary analyses were conducted for each project and are described below.

3.4.1 Water, Sanitation, and Hygiene Project

The beneficiary analysis is divided into two parts. The first part concerns Utility Reform; namely the institutional development of water and sanitation services with the establishment of corporatized utilities. The second part addresses the Infrastructure Grant Facility.

Utility Reform

Initially, the project's beneficiaries are identified as the population of Santiago Island; numbering approximately 278,000 in 2010. During or soon after compact completion, the corporatization of utilities is expected to extend throughout the rest of Cape Verde. As project coverage is expected to be universal, the Beneficiary Analysis is based on general characteristics of the population at large.

The performance of the proposed scale of investment to support institutional change for the provision of water and sanitation services in Cape Verde should be satisfactory provided that a) the establishment of MMUs on Santiago proceeds relatively quickly, b) MMUs achieve appreciable improvements in cost efficiency and cost recovery, and c) the impact on the general government budget allows for some adjustment in the pattern of government expenditures.

Infrastructure Grant Facility

The analysis estimates that on average a population of 48,000 (approximately 11,000 households), or just over 10% of the current population, would benefit from the operation of the facility, assuming no overlapping of beneficiaries across investments financed from the facility. At this point in project implementation it is not as yet possible to identify from where beneficiaries are located, therefore, the Beneficiary Analysis is based on general characteristics of the population at large.

Table 2: Water, Sanitation and Hygiene Project Beneficiaries

	Project/Activity/Sub-Activity Name	Estimated Number of Beneficiaries	Estimated Increase in Household Income		
1	Water, Sanitation and Hygiene Project	326,000			
1.1	National Institutional and Regulatory Reform Activity	278,000			
1.1.1	Improve Allocation of Resources, Planning, and Coordination Sub-Activity				
1.1.2	Support Transparent and Fair Tariff Setting Sub-Activity				
1.1.3	Improve Water Quality Standards and Environmental Oversight Sub-Activity				
1.2	Utility Reform Activity				
1.2.1	Encourage Corporatization of Utilities Sub-Activity				
1.2.2	Strengthen Management and Planning of Aguas de Santiago Sub-Activity				
1.2.3	Reduce Commercial Losses in Santiago Sub-Activity				
1.3	Infrastructure Grant Facility Activity			48,000	

3.4.2 Land management for Investment Project

Based on estimates of incremental employment opportunities, it is estimated that at least 3,000 households (approximately 13,000) would benefit from increased tourism development as a consequence of improving the process of land registration in the islands with high investment potential in tourism, such as Sal, São Vicente, Boa Vista and Maio. This number excludes the current population on the islands who might also benefit from the improvement in the land registration regime.

Note: According to the 2010 Population Census, the population of Sal is 25,779, Boa Vista is 9,162 and São Vicente is 76,140.

Table 4: Land Management for Investment Project Beneficiaries

	Project/Activity/Sub-Activity Name	Estimated Number of Beneficiaries	Estimated Increase in Household Income
2	Land Management for Investment Project	13,000	
2.1	Legal and Institutional Foundations Activity	13,000	
2.1.1	Develop Legal, Institutional and Procedural Foundations Sub-Activity		
2.1.2	Develop and Install Land Information and Transaction Systems Sub-Activity		
2.2	Rights and Boundaries Activity		

4. Monitoring Component

4.1 Summary of Monitoring Strategy

The monitoring strategies for both the WASH and Land Projects rely on a combination of sector-specific management information systems (MIS) and MCA-M&E funded survey activities.

The WASH MIS will consolidate information from the various implementing entities currently engaged in the production and delivery of water and sanitation services on the island of Santiago. Such entities include Electra (Electricity and Water Company), ADA (Water Distribution Agency), ARE (Economic Regulation Agency), INGRH (National Institute for Water Resources Management) and eight municipal water and sanitation utilities (SAAS) on the island of Santiago. Said MIS will serve as the basis for verifying preliminary baseline data and for monitoring progress on the performance indicators identified in the M&E Plan. It will serve as the primary decision-support tool for the MCA WASH start-up activities. Effective November 2013, the WASH MIS will support both the National Water and Sanitation Authority (ANAS) and the National Water and Sanitation Council (CNAS).

Similarly, MCC funding will support the development and installation of a LAND MIS under the Legal and Institutional Foundations Activity. Compact funds will be used to computerize and link existing information about land rights and land parcels held in the paper-based Ministry of Justice registry system and in different municipal departments as well as computerize a land information system that will be used by the Ministry of Justice’s Registry and Notary and by municipal governments to efficiently manage and access information within their area of legal competence. As with the WASH MIS, the LAND MIS will serve as the basis for verifying preliminary baseline data and for monitoring progress on the performance indicators identified in the M&E Plan.

MCA-M&E funded surveys will be used to establish baselines and end of compact results for those indicators that are not monitored by way of systematic data collection activities. Such surveys include,

for example: 1) Gender Special Studies, 2) WASH Beneficiary Knowledge, Attitude and Practices (KAP) Survey, 3) Adoption Rate of Individuals Trained in Improved WASH Behaviors and Practices Survey, 4) Land Market Value Survey on Islands of High Tourism Investment Potential, 5) International and Domestic Tourist Exit Survey and 6) a Land Beneficiary Knowledge, Attitude and Practices (KAP) Survey.

4.2 Data Quality Reviews (DQRs)

MCA-Cape Verde II plans to conduct two independent data quality reviews (DQR) during the five year implementation period; i.e., one in year 2 (2014) and a follow-up review in year 4 (2016) of the compact. The terms of reference will be openly competed; one international specialized firm or research organization will be contracted to perform both data quality reviews in accordance with MCC's "*Program Procurement Guidelines*". DQRs will cover a) quality of data, b) data collection instruments, c) survey sampling methodology, d) data collection procedures, e) data entry, storage and retrieval processes, f) data manipulation and analyses and g) data dissemination. The methodology for the review will include a mix of document reviews, dataset audits, site visits, key informant interviews, and focus group discussions. The revised 2013 M&E Plan will specify which data from Annexes I and II of the M&E Plan, and other project-related datasets, will be included in the review.

The reviews will be thoroughly documented in a report that will describe any weaknesses found in the a) data collection instruments, b) data sampling and/or collection methods, c) handling and processing of data by responsible entities, d) reporting procedures or e) datasets. In the event of weaknesses, the report shall make recommendations for remedying those weaknesses. Where a remedy is not technically possible or cost-effective, the report shall identify replacement indicators or data sources that would be more accurate and/or efficient.

The MCA and affected implementing entities will provide a formal written response to the DQR draft report; including which recommendations will be implemented. The MCA written response and implementing entity(s) written responses will be attached to the final DQR report and posted to the MCA-Cape Verde II Web site. MCA's written response will be submitted for approval to MCC prior to posting to the Web site. All final reports and associated responses will be in English. All MCC approved modifications to Annexes I and/or II will be documented in Annex III (Modifications to M&E Plan) of the M&E Plan. The MCA-Cape Verde II M&E Manager will be responsible for ensuring that recommended actions are implemented.

Apart from independent data quality reviews, MCA-Cape Verde will retain a local data quality auditor that will be issued periodic task orders in order to a) monitor the quality of reported data generated by implementing entities (validity, reliability, timeliness, precision, integrity and completeness), b) monitor the supervision of the field operations and oversight of enumerators during data collection events, and c) ensure that all MCA-funded survey datasets comply with MCC guidelines for the anonymization and technical documentation for public use data.

It is also noted that the Cape Verde National Statistical Institute will provide technical advisory services to the MCA and private sector firm awarded contracts in order to ensure that survey design, power calculations, sample frame selection, statistically representative sample sizes, random assignment, and other statistical considerations comply with the minimum standards of the statistical national authority and international best practice.

4.3 Standard Reporting Requirements

The primary data source and frequency of reporting for performance indicators identified in Annexes I and II of the M&E Plan varies widely depending on the indicator level; i.e., goal, outcome, output or process milestone. Baselines are established for all indicators, regardless of “level”, prior to intervention. However, goal and objective level indicators (as identified in Compact Annex III) are “monitored”, as opposed to “targeted” so as to provide a general contextual understanding of prevailing economic conditions in the host country.

Goal level indicators for the Cape Verde Program include, for example, GDP per capita and National Poverty Incidence. Performance on goal level indicators is captured by the MCA as reported by national and/or international authorities and as such is regarded as official but secondary data for which no MCA resources are expended for data collection. Outcome, output and process level indicators, however, require MCA resources, active implementing entity engagement, and extensive data collection, monitoring and survey activities. These indicators represent the primary focus for measuring progress towards achieving intended results. They are the subject of routine data gathering, surveying and data quality reviews.

Outcomes can be either targeted or for monitoring purposes only. Outcomes that are for monitoring purposes only are intended to demonstrate desired trends as a result of project interventions but for which the project only indirectly influences progress on said indicators; e.g., a) the “value of implicit subsidy reduction” for the price per cubic meter of water for the Water and Sanitation and Hygiene Project and b) the “average land property values per square meter in demarcated tourist investment zones (ADTI) and non- tourist investment zones (Non-ZDTI)” as a result of title issuance for the Land Management for Investment Project.

Targeted outcomes, outputs and process milestones, however, are actively monitored as of that point in time in the implementation period in which measurable change is anticipated as a direct result of project interventions.

In support of project management, each of the projects will develop management information systems. As previously noted, one of the specific objectives of the Land Management for Investment Project, is to “develop and implement a new land information management system”. Similarly, the Water Sanitation and Hygiene Project will consolidate select sector related information from the various implementing entities (municipal SAASs, Electra, ADA, ARE, INGRH and independent service providers) into a management information system. With the exception of date-driven process milestones, the majority of targeted outcomes, outputs and process milestones, and corresponding levels of disaggregation, will be monitored by querying these information systems. Surveys will be conducted to capture baseline and end-line information/data that is not routinely captured/reported through the respective project management information systems.

The MCA will report to MCC on both a quarterly and ad hoc basis in compliance with MCC standard reporting requirements. Standard reporting will include M&E contributions to the Quarterly Disbursement Request Package, Data Quality Reviews, semi-annual updates by MCC-funded impact evaluation firms on project evaluation activities, Annual Performance Reviews and submission of MCA-funded survey datasets and supporting technical documentation to MCC-M&E in compliance with MCC guidelines for Public Use Data.

M&E contributions to the Quarterly Disbursement Request Package will include performance tracking as reported in the Indicator Tracking Table, Narrative Report, Procurement Plan, Procurement Performance Report and Detailed Financial Plan. It is to be noted that due, in part, to the nature of a “reform-oriented” program, there is a preponderance of outcome performance indicators in the M&E Plan; i.e., 26 outcome performance indicators in the Water, Sanitation and Hygiene Project and 17 outcome performance indicators in the Land Management for Investment Project. It is also noted that, due to the nature of outcome indicators, performance will be reported in the latter quarters of the implementation period. Accordingly, it is anticipated that there will be a greater reliance on the Narrative Report to provide updates to field activities than in other more “output-oriented” projects that focus on construction/rehabilitation activities.

5. Evaluation Component

5.1 Summary of Evaluation Strategy

A request for proposals for hiring an evaluation firm will be launched during the second quarter of 2013. MCC-M&E seeks to award one contract for conducting evaluations of both the Water, Sanitation and Hygiene Project and the Land Management for Investment Project. All activities for both projects will be evaluated using a variety of performance evaluation techniques. Based on a comprehensive review of the literature, it is likely that the evaluation techniques will include a combination of Benchmarking, the use of Case Studies and Difference-in-Difference Propensity Score Matching. It is anticipated that the evaluation firm will sub-contract a local consultant to a) serve as an in-the-field point of contact for the evaluation firm, b) coordinate evaluation activities among implementing entities, c) provide data quality oversight over all MCC-funded data collection activities, and d) provide support to the MCA-Economist/M&E Manager in all matters related to the project evaluations. Refer to the table listed below for a summary of evaluation methodologies disaggregated by Activity with corresponding anticipated design, baseline, interim, and final deliverable evaluation report dates.

Evaluation Name	Evaluation Type	Evaluator	Primary/ Secondary Methodology	Evaluation Report Dates			
				Design	Baseline	Interim	Final
WASH Institutional and Regulatory Reform	Performance Evaluation	TBD	Performance Evaluation (ITS Benchmarking; Case Studies; Mixed Methods)	2013	2013	2016	2020, 3 years post Compact
Santiago	TBD	TBD		2013	2013	2016	2020, 3

Utility Reform			Performance Evaluation (Benchmarking, Case Studies, Mixed Methods) / Impact Evaluation (Dif-in-Dif PSM)				years post Compact
Infrastructure Grant Facility	TBD	TBD	Performance Evaluation (Benchmarking, Case Studies, Mixed Methods) / Impact Evaluation (Dif-in-Dif PSM)	2013	2013	2016	2020, 3 years post Compact
Land Project (all activities)	TBD	TBD	Performance Evaluation (Benchmarking, Case Studies, Mixed Methods) / Impact Evaluation (Dif-in-Dif PSM)	2013	2013	2016	2020, 3 years post Compact

The evaluations will answer the following questions for all project activities:

1. Determine if and analyze the reasons why the Compact Goal, objectives and outcomes were or were not achieved.
2. What are the unintended (positive or negative) results of the project?
3. What is the cost effectiveness or re-estimated project rate of return based on realized activity benefits and costs?
4. What is the likelihood that results will be sustained over time?
5. How do the project's benefits and/or costs accrue differently to a) poor and non-poor, b) urban, peri-urban and rural communities, c) men and women? What is the reason for these differences?

Others following process oriented questions that seem pertinent to the evaluation can be answer for all project activities:

1. Was the MCC investment implemented according to plan?
2. Did the MCC investment reach intended/unintended beneficiaries?
3. How was the activity perceived by potential/actual beneficiaries?
4. Was the activity sustained over time?
5. What challenges were encountered? How were the challenges addressed?
6. What are the lessons learned from the design and implementation?
7. What variations in this activity might be worth considering in the future (that is, different balance of sub-activities, loan conditions, communication materials, etc.)?

5.2 Specific Evaluation Plans

5.2.1 Water, Sanitation and Hygiene Project (WASH)

Evaluations of the WASH Project activities will focus on three main themes: 1) independent reviews and, as warranted, independent specification and estimation of relevant project ERRs; 2) assessing household-level impacts of the program investments and activities; and 3) examining the broad institutional benefits of the changes in national policies and utility organization and management.

At the household level, the evaluations will focus on the following program impacts on household and individuals:

- a) Household expenditures on water purchases and coping mechanisms,
- b) Imputed value of individual time devoted to water gathering and coping, and
- c) Other household and individual costs attributable to the changing water and sanitation environment.

All estimates of household and individual costs and benefits should determine patterns across social, economic and demographic groups, including gender analysis. The evaluations will attempt to review poverty, economic activity, water-borne disease and intra-household member productivity trends; however, MCC does not expect that a valid counterfactual for the project can be established in such a way as to attribute changes on these outcomes to the project.

At the institutional and utility level, the evaluations will focus on assessing the impacts of the program on utilities, particularly with regards to:

- a) Reducing operating costs or losses, and
- b) Increased commercial efficiency.

The consistency of these indicators shall be assessed using any historical and current high-frequency indicators, including water supplies, revenue collections, operating costs, and non-revenue water. The evaluation may use a before-after comparison of utility performance and/or a benchmarking methodology.

The WASH evaluations will assess the outcomes and impacts of individual Compact activities, as defined in the Compact agreement. However, because the WASH project is designed to produce synergies between different activities- for example, the institutional reform activities under the WASH project will impact and are conditions precedent for the Santiago utilities, while the IGF Activity is meant to provide incentives for reform by furthering the corporatization of utilities and improving the allocation of scarce resources in the sector across all islands- several evaluation questions will analyze the combined impact of the project activities. Project wide evaluation questions shall include the following:

WASH Project Evaluation Questions		
Primary Evaluation Questions	Key Indicators	Estimated Timeframe for Results
1. What is the impact of the project on the cost of production and provision of WASH services to customers? Is production more efficient and	- Santiago Multiple Municipal Utility(s) operating cost coverage	- End of Compact

cost-effective after the project?	<ul style="list-style-type: none"> - Average recovery price of water for Santiago Corporatized Utilities - Collection Ratio of Santiago Multiple Municipal Utility(s) - Non-revenue water for Santiago Multiple Municipal Utility(s) 	
2. Do cost recovery policies and regulatory arrangements put in place by the project lead to reduced subsidization of water and improvements in government spending from productive to unproductive spending categories? What is the fiscal impact of these changes?	<ul style="list-style-type: none"> - Value of implicit subsidy reduction - Independent, corporatized entity that is based on cost-of-service by rate class and which addresses pro-poor tariffs. Government “unproductive spending”¹ - Government “productive spending”² 	- End of Compact

The interconnected nature of outcomes across the various WASH activities will make it difficult to isolate or disentangle the impact of one activity from another; however, the evaluations will attempt to isolate the impact of one activity from another.

5.2.1.1 WASH Project Institutional Reform Evaluation

Given the structure of the reform intervention in the WASH sector, a randomized control trial to assess the impact of the program is likely not possible. It is difficult to hypothesize a counterfactual to explain what would have happened in the absence of the program. Therefore, the evaluation will primarily be a performance evaluation, which may include cross-case analyses and benchmarking to further validate the impact of the program and strengthen the evaluation.

Institutional reform activities may be evaluated through financial and operational modeling of “with project” and “without project” scenarios on various utilities and government expenditures where a counterfactual is constructed based on a time-series analysis in which the predicted outcome, based on pre-intervention trends, becomes the counterfactual. The “without project” assumptions will be drawn from utility performance data and government expenditures prior to the intervention as well as concurrent performance of other water utilities in the region.

Qualitative interviews with key informants in ANAS, CNAS, MMUs, and other civil society organizations in the sector will be undertaken to identify the type of reforms implemented, new structures and practices in place, quality of actual practices and reasons for successes and failures of the project will also be reviewed. Before and after focus groups with women, vulnerable groups, groups whose livelihood may be affected by networked services will also be pursued to understand the potential impacts and conditions within households in different geographic locations.

WASH Project Institutional Reform Evaluation Questions

¹ Unproductive spending includes a) social security and welfare, b) recreation and c) other economic services.

² Productive spending includes a) general public services, b) defense, c) education, d) health, e) housing and f) transportation and communication.

Primary Evaluation Questions	Key Indicators	Estimated Timeframe for Results
<p>1. Does the project institutional model have better outcomes than other institutional models elsewhere? Specifically, with regards to the following key developments:</p> <ul style="list-style-type: none"> a. Decentralization and corporatization of WASH service provision at the island level, and b. Independent economic regulation 	<ul style="list-style-type: none"> - Comparison of Cape Verde versus relative comparators on the following outcomes: - Santiago Multiple Municipal Utility(s) have sufficient equity to support operations and working capital needs - Service Coverage by Corporatized Utilities for poor and non-poor - Non-revenue water for Multiple Municipal Utility(s) - Established social and gender units within institutions with staff and budgets 	<ul style="list-style-type: none"> - Post Compact (2020)
<p>2. What is the quality and sustainability of the institutional and regulatory reform? Was the pace of reform in Santiago faster than the Agua Brava utility on the islands of Fogo and Brava? What factors increased or decreased the pace of reform? What role did the Infrastructure Grant Facility play in increasing the pace of reform?</p>	<ul style="list-style-type: none"> - Continued compliance with Strategic Master Plan - World Bank water reform indices (Urban Water Reform, State-owned Enterprise Governance, Regulation) - Additional reform measures TBD - Time to adopt key reforms and implementation at defined level of quality of service 	<ul style="list-style-type: none"> - End of Compact (2017)
<p>3. Does the project result in better environmental and sustainable management of water resources? What are the impacts of pricing policies and their consistency in application by the Regulator/sector have on depletion and pollution of water resources?</p>	<ul style="list-style-type: none"> - Percent utilization of assets - Annual compliance with National Strategic Master Plan - Water quality indicators 	<ul style="list-style-type: none"> - End of Compact (2017)
<p>4. Do reforms targeting gender integration and social inclusion in institutions, including subsidy and tariff schemes, and other policies for promoting access for vulnerable groups, supported by the updated WASH policies at national and utility levels result in improved service to vulnerable groups? Are women and vulnerable groups better</p>	<ul style="list-style-type: none"> - Targeting quality (regressive or progressive) of tariff - Female and vulnerable group representation in institutions - Perceptions of MMUs response to women and 	<ul style="list-style-type: none"> - End of Compact (2017)

represented? Do they have better outcomes?	vulnerable group concerns	
Secondary Evaluation Questions	Key Indicators	Estimated Timeframe for Results
5. How do changes in tariffs, enforcement of collection procedures and/or reliability of service impact the consumption of water from network and network substitutes?	<ul style="list-style-type: none"> - Average household water expenditure per cubic meter - Average enterprise water expenditure per cubic meter - Average household water consumption - Average enterprise water consumption - Percent of water sourced from pipe and tankers - Collection ratios 	- End of Compact (2017)

5.2.1.2 WASH Project Santiago Utility Evaluation

A quasi-experimental evaluation strategy, Difference in Difference Propensity Score Matching, or Continuous Treatment Model might be useful to answer some of the key evaluation questions in Santiago communities. During the first year of the Compact, the GoCV and MCC may examine possible sequencing, geographic phasing or variation in NRW interventions in Santiago in order to establish a counterfactual through which to rigorously estimate the impact of management practices and policy changes for improving operational performance of the utilities.

Institutional reform activities on the Island of Santiago may be evaluated through financial and operational modeling of “with project” and “without project” scenarios where a counterfactual is constructed based on a time-series analysis in which the predicted outcome, based on pre-intervention trends, becomes the counterfactual. The “without project” assumptions will be drawn from utility performance data prior to the intervention as well as concurrent performance of other water utilities in the region.

To the extent possible, mixed methods will be pursued, including multiple approaches to quantitative and qualitative data collection and analysis, to move past the type of reform and institutional evaluations that equate outputs with outcomes, and to acknowledge the particular significance political contexts have on the impact of such programs. Mixed methods will help write evaluation questions, explain point estimates, refine hypotheses, understand implementation to accommodate dynamic learning, understand process to obtain impact (functional form of change), understand impact pathways and explain impact failures. Finally, the evaluation will also consider doing a cross-case analysis and benchmarking to further validate the impact of the program and strengthen the analysis, as other projects could act as counterfactuals.

WASH Project Santiago Utility Evaluation Questions		
Primary Evaluation Questions	Key Indicators	Estimated Timeframe for Results

<p>1. Which elements of the corporatization process lead to better commercial practices at MMUs, e.g.:</p> <ul style="list-style-type: none"> a. Improved financial autonomy b. Improved billing and collections c. Improved operational efficiency d. Reductions in non-revenue water e. Improved asset management 	<ul style="list-style-type: none"> - Tariffs set at cost of service rates - Reductions in Non-Revenue Water - Operating cost coverage - Collection ratio - Independent corporatized entity based on cost-of-service - MMU staff per 1,000 potable water connections - TBD 	<ul style="list-style-type: none"> - Post Compact (2017)
<p>2. What is the project's impact on the financial sustainability of utilities?</p>	<ul style="list-style-type: none"> - Reductions in Non-Revenue Water - Operating cost coverage - Independent corporatized entity based on cost-of-service - Collection ratio 	<ul style="list-style-type: none"> - End of Compact (2017)
<p>Secondary Evaluation Questions</p>	<p>Key Indicators</p>	<p>Estimated Timeframe for Results</p>
<p>3. Does the project increase the number of networked connections, access to improved water and sanitation sources/facilities, and/or continuity of service in Santiago and nationally? Do access rates change equitably for all groups (e.g. by sex or sex of household head, income, urban/peri-urban/rural residents, by island)? Does access increase for vulnerable groups such as female-headed households and the poor?</p>	<ul style="list-style-type: none"> - Santiago Island: - Sanitation access rate - Network and improved water access rate - National: - Sanitation access rate - Network and improved water access rate - Disaggregation by: Gender Head- of-household; Urban/Rural/ Peri-urban; Poor/Non-poor 	<ul style="list-style-type: none"> - Post Compact (2020)
<p>4. Does the incidence of water-borne diseases and diarrhea for children decrease as a results of increased access to improved water source and/or increased access to improved sanitation facilities³</p>	<ul style="list-style-type: none"> - Diarrhea incidence in children under 5 years of age 	<ul style="list-style-type: none"> - Post Compact (2020)
<p>5. Does access to network water or improved water sources lead to:</p> <ul style="list-style-type: none"> a. Increased consumption of water? b. Decreased expenditures on water? c. Reduce time to collect water? d. Change domestic and / or commercial uses of water? 	<ul style="list-style-type: none"> - Average household water expenditure per cubic meter - Average enterprise water expenditure per cubic meter - Average time collecting water - Average household water consumption per capita 	<ul style="list-style-type: none"> - Post Compact (2020)

³ Unlikely to be able to isolate impact of project on this question, however, we will attempt to evaluate it.

	<ul style="list-style-type: none"> - Average enterprise water consumption - Percent of water sourced from pipe and tankers - Disaggregation by: Gender Head- of-household; Urban/Rural/ Peri-urban; Poor/Non-poor 	
6. What is the project’s impact on household income?	<ul style="list-style-type: none"> - Household consumption - Household expenditures - Disaggregation by: Gender Head- of-household; Urban/Rural/ Peri-urban; Poor/Non-poor 	- Post Compact (2020)

5.2.1.3 WASH Project/ Infrastructure Grant Facility (IGF) Evaluation

Due to the nature of the IGF activity, it is not possible to identify “*a priori*” the key evaluation questions, indicators, evaluation strategy of the future projects that will be financed by the IGF. Evaluation and monitoring requirements will be outlined in the IGF manual, and evaluation strategies will be developed on a case-by-case basis. However, the evaluation will attempt to answer the following core questions:

WASH Project Infrastructure Grant Facility Evaluation Questions		
Primary Evaluation Questions	Key Indicators	Estimated Timeframe for Results
1. Does the project create incentives for corporatization and or more commercially-oriented operations of municipal utilities? What aspects of the project create the strongest incentives?	<ul style="list-style-type: none"> - Average ERR of projects submitted - Number of municipal utilities corporatized - Number of corporatized municipal utilities meeting financial sustainability criteria - Number of Category II and Category III projects submitted - Service coverage of corporatized utilities 	- End of Compact (2017)

The collection of high quality data for the WASH project is an on-going challenge due to the a) limitations of timely high quality data in the WASH sector, b) limited MCA-M&E budget, c) the complexity and evolving nature of the activity interventions, d) the multitude of interdependent results and channels of effects, and e) on-going structural transformations in the sector. Since one of the

objectives of the WASH project is to strengthen the regulatory function of the sector, MCA will work to build the capacity of the regulator and corporatized municipal utilities to generate reliable and timely project data.

In order to ensure an efficient and cost-effective use of limited resources, MCC and MCA-CV will harmonize survey activities with other planned or on-going survey work in Cape Verde by coordinating with national institutions (INE), other international donor agencies (UNDP), as well as rely on the MCC-funded impact evaluation activities to supplement data collection activities.

Where possible, the evaluations will attempt to triangulate data in an effort to validate the program theory. When triangulating data, one can use a mix of different types of quantitative and qualitative data and field observations to strengthen conclusions about different causal hypotheses. Two of the most important qualitative data for informing policies and institutional reform are the “willingness-to-pay” by customers and “willingness to charge” by public water sector authorities.

A qualitative study, financed through 609(g) funds, will use semi-structured interviews with key informants, focus group discussions with important target groups, direct observation and potential case studies; e.g., comparative analysis of Agua Brava’s reforms and the outcomes of said reforms and case studies of gender and social inclusion in ANAS and in the Santiago MMU. It is anticipated that additional qualitative information may be required for the assessment of institutional and household level benefits. Key informants will likely include, MCA technical staff, government stakeholders (ARE, ANAS, and CNAS and representatives), utility management and technical staff, civil society organizations, (NGOs and CBOs) private sector water vendors, representatives of schools and health facilities and small-scale and informal type businesses most affected by inadequate access to water.

5.2.2 Land Management for Investment Project

Annex III of the Cape Verde II Compact indicates that the evaluation will focus on three main themes: 1) re-estimating project ERRs; 2) assessing household-level impacts and, 3) assessing investor or business impacts due to the project.

The evaluation will focus on the independent review and, if warranted, re-specification and estimation of project ERRs to account for significant changes in value-added to the economy that might not be adequately estimated in the ex-ante project analysis due to limitations of data availability. Evaluation of benefits should focus on anticipated economic impacts of tourism-related sector investments plausibly attributable to the reduced time and costs of securing land rights and access to more conclusive rights and boundaries information. If project improvements also broadly reduce the costs of securing land rights and increase the reliability of land information with effects across other sectors and regions, other plausible economic benefits attributable to these outcomes may also be explored. Estimates of such benefits should consider compelling evidence of clearly distinguished patterns across sectors, or across social, economic and demographic groups, including gender analysis.

The CVII evaluation of land management activities will focus on the impacts of project activities in residential and commercial use areas in islands with near-term high tourism investment potential. At the household level, the evaluations will attempt to establish the correlation between reductions in time and cost of land transactions and more conclusive rights and boundaries with outcomes on:

- a) Household income
- b) Intra-household income distribution, and
- c) Household property values.

At the investor or business-level, evaluations will attempt to review project’s impact on:

- a) Business investments or value-added,
- b) Employment generation, and
- c) Tourism growth.

At the institutional level, the evaluation will review the sustainability of the new land management system, applications throughout Cape Verde and impact on business processes at the relevant institutions.

The evaluation will attempt to examine the differential impact of the project on male versus female head-of-household investments in titled property disaggregated by income quartile.

5.2.2.1 Land Project – All Activities

Evaluation methods for Cape Verde II activities will depend largely on activity phasing, timing and sequencing. Although the land information management and transactions system will be installed in all nine inhabited islands, the rights and boundaries clarification will be completed first in Sal then implemented simultaneously on the islands of Sao Vicente, Boa Vista, and Maio. Although a random control trial may not be possible, if distinct geographic locations within country are shown to be socio-economically and physically comparable, it may be possible that certain project activities implemented in Sal before other islands will create an opportunity to establish Sal as an intervention island and others as controls. Controlling for external factors, these treatment areas could then be compared to control areas receiving the interventions at a later point in the implementation or post compact period. MCA-CV shall investigate the comparability between different islands to determine whether Sal could serve as a treatment island and others (or subset thereof) as controls. This arrangement would allow for Difference in Difference regression analysis.

It may also be useful to model “with project” and “without project” scenarios, which could serve as a counterfactual using predicted outcomes based on current trends. Legal/institutional reform and parcel rights/boundaries activities may be evaluated using a before and after comparison of administrative data. A mixed-methods approach will allow MCC to capture a more holistic understanding of how land-management reforms impact business and residential investments, tourism and employment.

Land Project Evaluation Questions		
Primary Evaluation Questions	Key Indicators	Estimated Timeframe for Results
1. Does the project result in reduced time and cost for property transactions?	- Percentage change in time for property transactions - Percentage change in cost for property transactions	- End of Compact (2017)
2. Does the project result in increased investments in property?	- Domestic Investments and Foreign Direct Investments - Home improvement investments in titled properties	- Post Compact (2020)
3. What is the project’s impact on property values?	- Average ZDTI and Non-ZDTI land property values	- Post Compact (2020)

	<ul style="list-style-type: none"> - per square meter - Average annual investment in household improvements and assets 	
4. Does the project lead to an increase in property transfers?	<ul style="list-style-type: none"> - Transaction frequency for first time registrations and transfers 	<ul style="list-style-type: none"> - End of Compact (2017) and Post Compact (2020)
5. How do the project's benefits and/or costs accrue differently to men and women? What is the reason for these differences?	<ul style="list-style-type: none"> - Percent of male and female head-of- households in targeted islands with formalized land rights 	<ul style="list-style-type: none"> - End of Compact (2017)
6. Are targeted institutions by the project still using the new land systems and procedures introduced by the project? Are the new land management systems and procedures being sustained by the GoCV and municipal institutions? Do the numbers of transactions suggest that demand for the system is sufficient to support sustainability?	<ul style="list-style-type: none"> - Percent of parcels in the system in islands of high tourism investment potential - Operating cost coverage; share of operating costs covered by transaction revenues - Transaction frequency for first time registrations and transfers 	<ul style="list-style-type: none"> - End of Compact (2017) and Post Compact (2020)
7. Do more secure land rights enable greater productive use of land?	<ul style="list-style-type: none"> - Average annual investment in household improvements and assets - Doing Business Ranking in Time for Registering Property Transactions 	<ul style="list-style-type: none"> - End of Compact (2017) and Post Compact (2020)
8. Do more efficient procedures and more reliable rights and boundary information lead to increased investment and growth in the tourism industry and ancillary services?	<ul style="list-style-type: none"> - Trend in bed capacity and bed nights disaggregated by island of high tourism investment potential - Average amount of time new property on the market - Number of ancillary tourism businesses in Sal - Domestic investment and foreign direct investment in tourism and construction sectors 	<ul style="list-style-type: none"> - Post Compact (2020)
9. What is the project's impact on poverty and income?	<ul style="list-style-type: none"> - Average household income in intervention island(s) of high tourism investment potential - GDP growth per capita by intervention island(s) of high tourism investment potential 	<ul style="list-style-type: none"> - Post Compact (2020)
Secondary Evaluation Questions	Key Indicators	Estimated Timeframe for

		Results
10. Is the system accessible to the diaspora? Does the diaspora use the national system?	- TBD	- End of Compact (2017)
11. What is the impact of the legal reform?	- TBD	- End of Compact (2017)
12. Are environmental issues considered in the project? What is the environmental impact of the project?	- TBD	- Post Compact (2020)
13. Does the project lead to a decrease in land conflicts?	- TBD	- End of Compact (2017) and Post Compact (2020)

In order to ensure an efficient and cost-effective use of limited resources, MCC and MCA-CV will harmonize data collection with other planned or on-going work in Cape Verde through national institutions (INE) and/or other international donor/funding agencies (UNDP/World Bank), as well as rely on the MCC-funded impact evaluation activities to supplement data collection activities.

Qualitative data will be collected through a separate study using semi-structured interviews with key informants, focus group discussions with important target groups, direct observation and potential case studies and/or inter-island comparisons. It is anticipated that additional qualitative information may be required for the assessment of institutional and household level benefits. Some key informants may include, MCA technical staff, government stakeholders at the national and municipal level, land management and technical staff, banking institutions, hotel owners and management staff, representatives working in the tourism sector, civil society organizations, small-scale formal and informal business enterprises. A survey on customer satisfaction may be conducted to review the utility of the new land management system.

6. Implementation and Management of M&E

6.1 Responsibilities

The MCA-Cape Verde II Economist/Monitoring and Evaluation Manager will have the overall responsibility for a)) the overall M&E system of the Program and implementation of related activities for each project, b) producing timely and relevant implementation reports on MCA-Cape Verde implementation progress, and c) disseminating timely and relevant information to all program stakeholders. This position reports to the Managing Director of MCA-Cape Verde.

Responsibilities include:

- Elaborate and present the economic logic of the compact and related communications, including evaluating potential impact on growth and poverty reduction, gathering and assessing the validity of appropriate data and evidence that support the claimed impacts, rationale for public funding, "monitorability", and the economic rate of return of proposed projects.
- Assisting in the development of the Monitoring and Evaluation plan for the compact, including advising on the intermediate indicators to be used, baseline data collection and the methodology for performing impact evaluation.

- Participating on interdisciplinary teams to assess proposals and perform due diligence. Taking lead role in coordinating assessments of “evaluability” and statistical capacity.
- Guide the setup of the M&E system and strategy, including data-collection, data-analysis, data quality assurance and reporting systems, and oversee its effective implementation by implementing partners.
- Working with IT staff and Country Programs staff to develop the technical requirements for, and continual improvement of, a centralized Management Information 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 primary and secondary data.
- Regularly review M&E data with appropriate decision makers to ensure that projects are achieving their targets and, if changes are needed, that timely decisions on corrective actions are made and implemented.
- Prepare periodic reports regarding program monitoring and evaluation for review by the Managing Director and Project Managers 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 MCC 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.
- Elaborate the plan for interim and final evaluations and oversee the entire evaluation process.
- 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.
- Communicating guidance on M&E responsibilities to host country representatives.
- Making recommendations to the GoCV Steering Committee for modifications to approved M&E plans.
- Preparing background documents, analysis, recommendations and presentation materials for senior management use at meetings, external events, etc.
- Identifying and working, as needed, with local partners, consultants, trainers and auditors,

6.2 MCA Management Information System for Monitoring and Evaluation

As previously noted in Section 4.1 (Summary of Monitoring Strategy), both the WASH and LAND Projects will rely on the development and installation of sector-specific management information systems (MIS). These systems will serve as the primary source of monitoring data to support quarterly reporting on the Indicator Tracking Table. In addition, it is anticipated that the implementation of a Web enabled MIDAS 2.0 will serve to support the timely and systematic reporting of MCA-Cape Verde II to MCC on the ITT, and the M&E components of the Detailed Financial Plan, Procurement Plan and Narrative Report in the routine submission of the Quarterly Disbursement Request Package. Refer to Section 4.1 (Summary of Monitoring Strategy), for an overview of the WASH and LAND Project management information systems.

6.3 Review and Revision of the M&E Plan

As per MCC M&E Policy, M&E Plans will be revised as needed during the life of the Compact to adjust to changes in the Program's design and to incorporate lessons learned for improved performance monitoring and measurement. The M&E Plan may be modified or amended without amending the Compact. However, any such modification or amendment of the M&E Plan by the MCA must be approved by MCC in writing and must be otherwise consistent with the requirements of the Compact and any relevant Supplemental Agreements. It is anticipated that the M&E Plan will be revised annually following formal MCA annual reviews of program-wide performance.

6.4 Capacity Building

The MCA-CVII M&E unit will continuously familiarize stakeholders, including MCA-CVII and Implementing Entities staff, on how program performance will be measured. Specific training on M&E may be required for implementers to comply with the M&E plan. Additionally, in order to ensure stakeholders understand how M&E activities will be implemented, the MCA-CVII M&E Plan will be presented and discussed with the stakeholders. Every year the M&E Plan will be updated, circulated to relevant stakeholders and published on the MCA-CVII web-site.

6.5 M&E Dissemination and Transparency

MCC and the MCA-Cape Verde II (CVII) are committed to transparency and making information available to Program stakeholders and the general public. Accordingly, MCA-CVII will publish MCC approved M&E Plans and progress reports against said Plan as reported in the Indicator Tracking table (ITT) to its Web site on a quarterly basis.

In addition, MCA-CVII is committed to publicly sharing evaluation plans and methodologies, final evaluation reports, baseline reports, survey results, datasets and supporting technical documentation for public use. Data sharing is meant to ensure potential replication of evaluations assessing the impact of MCC's Projects and to inform future data-gathering and research efforts.

7. M&E Budget

The total MCA-Cape Verde II M&E budget is equal to USD 1.39 million; equivalent to 2.1% of the total USD 66.23 million Program budget. An additional USD 1.50 million is budgeted from the MCC-M&E Due Diligence budget to support the impact evaluation activities of the WASH and LAND Projects over the life of the compact and into year three of the post compact period.

An estimated USD 86,500 of the MCA-Cape Verde M&E budget will be allocated to hiring part-time support staff to supplement the one combined MCA-Economist/M&E Manager position. Approximately USD 308,000 will be spent on statistical technical advisory services, data quality oversight and data quality reviews (compact years 2 and 4). The balance of USD 995,500 is allocated to program-wide surveys, special studies and M&E workshops. Refer to the table listed below for an annual distribution of the MCA-Cape Verde II M&E funds over the life of the compact disaggregated by expense category, project and source of funds.

MCA-Cape Verde II M&E Multi-Year Financial Plan (Expressed in US Dollars)

Program/Project/Activity /Sub-Activity	CIF	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Monitoring and Results Reporting Consultant		17,300	17,300	17,300	17,300	17,300	86,500
Data Quality Reviews I/II			85,000		85,000		170,000
Data Quality Oversight		12,600	12,600	12,600	12,600	12,600	63,000
INE Technical Advisory Services		15,000	15,000	15,000	15,000	15,000	75,000
2011 Baseline WASH/LAND Survey (MCC 609(g) Funds)	90,000						90,000
Gender Special Studies					41,300	43,100	84,400
Sub-total MCA Budget		44,900	129,900	44,900	171,200	88,000	478,900
Sub-total MCC Budget	90,000						90,000
1. Water, Sanitation and Hygiene Project							
Impact Evaluation Consultancy (MCC Due Diligence Budget)		200,000	200,000	200,000	200,000	200,000	1,000,000
WASH M&E Implementation Workshop		3,000					3,000
WASH Special Studies				66,000	66,000	75,750	207,750
1.1 National Institutional and Regulatory Reform Activity							
Special Studies: Water and Sanitation Policy, Regulatory and Institutional Sustainability Index		12,500	12,500	12,500	12,500	12,500	62,500
1.2 Utility Reform Activity							
2017 WASH Beneficiary Knowledge, Attitude and Practices (KAP) Survey						57,500	57,500
1.3 Infrastructure Grant Facility Activity							
Adoption Rate of Individuals Trained in Improved WASH Behaviors and Practices Survey						85,000	85,000
Sub-total MCA WASH		15,500	12,500	78,500	78,500	230,750	415,750
Sub-total MCC WASH		200,000	200,000	200,000	200,000	200,000	1,000,000

2. Land Management for Investment Project							
<i>Impact Evaluation Consultancy (MCC Due Diligence Budget)</i>		100,000	100,000	100,000	100,000	100,000	500,000
Land M&E Implementation Workshop		1,500					1,500
Land Special Studies						43,850	43,850
2.1 Legal and Institutional Foundations Activity							
Surveys for Time and Cost of Land Transactions		12,500	12,500	12,500	12,500	12,500	62,500
		60,000				60,000	120,000
2.2 Rights and Boundaries Activity							
Land Market Value Survey on Islands of High Tourism Investment Potential		160,000					160,000
Property Investment Survey		80,000					80,000
International and Domestic Tourist Expenditure Exit Survey		18,000	18,000	18,000	18,000	18,000	90,000
Sub-total MCA Land		319,500	18,000	18,000	18,000	121,850	495,350
Sub-total MCC Land		100,000	100,000	100,000	100,000	100,000	500,000
Total MCA-M&E Budget		379,900	160,400	141,400	267,700	440,600	1,390,000
Total MCC-M&E Budget	90,000	300,000	300,000	300,000	300,000	300,000	1,590,000
Total M&E Budget	90,000	679,900	460,400	441,400	567,700	740,600	2,980,000

Note: End-line impact evaluation activities will be concluded in 2020; three years following compact close-out.

8. Other

Not Applicable

Annex I:
Indicator Documentation Table

**Cape Verde II Water, Sanitation and Health Project
Annex I: Indicator Documentation Table**

Common Indicator	Indicator Level	Indicator Name	Definition	Unit of Measurement	Disaggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
Program Goal									
	Goal	National GDP per capita	Gross domestic product (GDP) is the market value (price at which an asset would trade in a competitive auction setting: often used interchangeably with open market value, fair value or fair market value) of all officially recognized final goods and services produced within a country in a given period of time.	US Dollars	None	The World Bank Group Data (http://data.worldbank.org/country/cape-verde/)	The World Bank Group	Annual: Compact years 1-5 and post compact year 3	GDP (current US\$) = 1.901 billion (2011) with population of 500,600 (2011). World Bank Group uses product approach for estimating GDP. Source: The World Bank Group (http://data.worldbank.org/country/cape-verde/). DPNov12 MCA-CPVii requested of INE the latest official reported data and date of systematic annual publications. Consult with INE to identify latest official reported data and date of systematic annual publications. INE uses product approach for estimating GDP. INE anticipates estimating GDP by island for FY13 in 2014 using product approach. For monitoring purposes only, no targets required. To be monitored in post compact year 3.
	Goal	National Poverty Incidence	National Poverty Incidence (Percentage of households with consumption less than \$2.00 per day in Purchase Power Parity)	Percentage	A) National; (B) Santiago Island; (C) Santiago Municipalities; (D) Urban/Rural; (E) Male/Female Head-of-Household	QUIBB 2007	Cape Verde National Statistical Institute (INE)	Baseline, end-of-compact and post compact year 3	Goal level performance indicator to be monitored in Post-Compact M&E Plan, i.e., 2019-2020. Source: QUIBB 2007 (Questionário Unificado de Indicadores Básicos de Bem-Estar); Cape Verde National Statistical Institute (INE). Refer to Table 7 (Incidência de Cabo Verde (N) por Concelho, 2007) on pp.36 of "Análise de Situação da Criança e Adolescente em Cabo Verde, UNICEF, 2011, for disaggregation by municipality and urban/rural areas. The 2010 Population Census did not collect income data which does not make possible analyzing poverty incidence with data more current than 2007. DPNov12 request from MCA-Cape Verde II to INE for a) male head-of-household and b) female head-of-household disaggregated data by urban/rural areas on Sal Island.
Water, Sanitation and Hygiene Project									
	Goal	Water and Sanitation Policy, Regulatory and Institutional Sustainability Index	The Water and Sanitation Policy, Regulatory and Institutional Sustainability Index is based on a comprehensive assessment of institutional, regulatory and governance environments that address specific objectively verifiable characteristics of the sector. Sub-indices measure and report on prevailing legislative, restructuring, autonomy, transparency, accountability, policy oversight, private sector involvement, ownership and shareholder quality, managerial and board autonomy, accounting, disclosure and performance monitoring, outsourcing, labor market discipline, capital market discipline, and financial sustainability characteristics of the sector.	Percentage	(A) Policy Reform; (B) Regulatory Reform; (C) Institutional Reform	Water and Sanitation Policy, Regulatory and Institutional Sustainability Assessment Report	Independent Third Party Consulting Firm	Annual; compact years 1-5 and post compact year 3	The World Bank publication titled "Ebbing Water, Surging Deficits: Urban Water Supply in Sub-Saharan Africa", is a product of the Africa Infrastructure Country Diagnostic (AICD). It provides a comprehensive assessment of the state of physical infrastructure of 24 Sub-Saharan African country sectors, including, energy, information and communication technologies, irrigation, transport, and water and sanitation. The AICD project was commissioned by the Infrastructure Consortium for Africa after the 2005 G-8 Summit at Glenageary which recognized the importance of scaling up donor finance for infrastructure in support of Africa's development. In combination with select financial performance-related indicators (value of implicit subsidy reduction, average recovery price of water for corporatized utilities and operating cost coverage), the AICD index provides a useful methodological approach for accessing sustained improvements in the water and sanitation legal, regulatory and institutional environments and serves, thereby, as a comprehensive performance indicator for assessing the long-term sustainable performance of the MCC-funded water and sanitation reforms. The AICD assessment of the "state of the institutions" in the water and sanitation sector is based on the construct of four indices: i.e., Urban Water Supply Reform Index, Urban Water Reform Index, Regulation Index and State Owned Enterprise (SOE) Governance Index. Said indices are further divided into a total of 18 sub-indices composed of 90 "yes" or "no" answered questions. Indices and disaggregated sub-indices are listed below for quick reference. Urban Water Supply Reform Index is composed of 4 sub-indices with 18 questions related to legislation (2), restructuring (4), policy oversight (5), and private sector involvement (7). Urban Water Reform Index is composed of 4 sub-indices with 18 questions related to legislation (2), restructuring (4), policy oversight (5), and private sector involvement (7). Regulation Index is composed of 4 sub-indices with 18 questions related to autonomy (8), transparency (13), accountability (3), and tools (4). State Owned Enterprise (SOE) Governance Index is composed of 6 sub-indices with 36 questions related to Ownership & Shareholder Quality (5) and Managerial and Board Autonomy (8), Accounting and Disclosure and Performance Monitoring (12), Outsourcing (4), Labor Market Discipline (3), and Capital Market Discipline (4). For a detailed discussion of the methodology and results of 24 Sub-Saharan country analyses, refer to the World Bank publication titled "Ebbing Water, Surging Deficits: Urban Water Supply in Sub-Saharan Africa", by Sudeshna Banerjee, Heather Skilling, Vivien Foster, Cecilia Briceño-Garmendia, Elvira Moreira, and Tarik Chahed, Africa Infrastructure Country Diagnostics, Background Paper 12 (Phase II), World Bank, June 200, pp. 101.
	Outcome	Ratio of Productive National Government Spending	Value of government funds allocated to "productive" spending /value of government funds allocated to "unproductive" spending. Productive spending includes a) general public services, b) defense, c) education, d) health, e) housing and f) transportation and communication. Unproductive spending includes a) social security and welfare, b) recreation and c) other economic services.	Ratio	(A) Productive public spending; (B) Unproductive public spending	National Budget (SIGOP) of the Ministry of Finance and Planning (MFP)	National Directorate of Budget and Public Accounts (DNOCP) of the Ministry of Finance and Planning (MFP)	Baseline, end-of-compact and post compact year 3	Linked to the ERR Analysis. According to the findings of a World Bank research publication titled "Assessing the Impact of Public Spending on Growth: An Empirical Analysis for Seven Fast Growing Countries", by Blanca Moreno-Bodson, a) the classification of expenditures that distinguishes "productive" from "unproductive" spending is based on a priori judgment regarding expected impact on economic growth. This categorization of expenditures is consistent with the theory behind endogenous growth models which contends that only "productive" public spending should be expected to have a robust relationship with GDP per capita growth, b) reallocating 1% of unproductive spending towards the productive spending categories would lead to a 0.35 % increase in GDP per capita growth, everything else being equal. With regard to the WASH Project, unproductive public spending refers to the amount of public finance lost over time in the form of implicit subsidies due to inefficiently operated "non-corporatized" municipal water and sanitation utilities. The project economic rate of return model contends that the establishment of multiple municipal water and sanitation utilities operating according to "corporatized" principles will a) reduce the over-reliance of municipal utilities on federal subsidies to cover the true costs of operations and, thereby, b) enable the central government to increase investments in productive public spending. Unproductive public spending includes "transferências não orçamentadas para cobrir ineficiências do sistema de distribuição de água".
Activity 1 National Institutional and Regulatory Reform Activity									
1.1 Improve Allocation of Resources, Planning, and Coordination Sub-activity									
1.2 Support Transparent and Fair Tariff Setting Sub-activity									
1.3 Improve Water Quality Standards and Environmental Oversight Sub-activity									
	Outcome	Value of implicit subsidy reduction	The total value of "hidden costs" associated with 1) poor bill collection rates; 2) excessive losses due to inefficient operations or theft from the network in power, gas or water systems; and 3) tariffs set below cost-recovery rates; i.e., amounts needed for long-run operations and maintenance, investment, and normative losses. Tariffs set below cost-recovery levels as a recognized policy should be considered an explicit subsidy and therefore should be deducted from the overall calculation.	US Dollars	(A) Potable Water; (B) Sanitation	Sistema de Informação e Gestão Orçamental e Financeira (SIGOF)	National Directorate of Budget and Public Accounts (DNOCP) of the Ministry of Finance and Planning (MFP)	Annual; Compact years 1-5 and post compact year 3	Baseline to be obtained from "Economic Viability Study and Comprehensive Tariff Study". Anticipated Approval of Final Report for Economic Viability Study: 31May13-30Jun13. Anticipated Approval of Final Report for Comprehensive Tariff Study (30Nov13-30Dec13), as per WASH 2014ug1 work plan. The "Hidden Costs Calculator" (developed through collaboration between the World Bank Group and the International Monetary Fund; refer to Saavalainen and Ten Berge, 2006) is designed to provide insight into the three key components of hidden costs affecting water and sanitation sector infrastructure: 1) poor bill collection rates; 2) excessive losses due to inefficient operations or theft from the network in power, gas or water systems; and 2) tariffs set below cost-recovery rates. Manner of Calculation: The Hidden Cost Calculator compares the difference between actual revenues and revenues that could be anticipated in a well-functioning system operating with cost-covering tariffs, bills paid, and losses normative for networks of a certain age and design. In its final form the applied model to estimate hidden costs, H is expressed as: $H = R^* - R$ where R* is the expected revenue and R is the actual revenue. H can be expressed alternatively as a function of tariffs below cost recovery, unaccounted losses and poor collection rates, by substituting for these variables: $H = Qe(Tc - Te) + QeTc(m - ln) / (1 - lm) + QeTc(1 - Rct)$ where, Qe = end user consumption Tc = average cost-recovery price Te = weighted average end user tariff ln = total loss rate lm = normative loss rate Rct = collection rate
	Outcome	Service Coverage by Corporatized Utilities	Percent of population served by corporatized utilities regulated by Economic Regulatory Agency (ARE); including networked and non-networked communities. (BNET Indicators 1.1 and 2.1) Corporatized utilities are characterized by the following key features: 1) legally established as an independent entity, subject to prevailing Cape Verde corporate laws, private system of courts and accounting rules regarding transparency of operations and reporting requirements, 2) management acts autonomously, free of government intervention, exercising virtually complete control over all inputs and issues related to production and delivery of services, represents shareholder interests while maintaining fiduciary duties to the utility's wellbeing to other customers and creditors, Board of Directors established and meeting on a regular basis, 3) as applicable, retained staff are retrained with applicable benefits (incentives and bonuses) transferred. As applicable, redundant staff are retrained, transferred to alternate civil service entities or retired from civil service with applicable benefits transferred and just compensations paid. Private sector oriented workforce recruiting, staffing, performance-based salary and benefit packages/policies (pensions, incentives and bonuses) and disciplinary procedures established, 4) "correctly valued assets and liabilities" transferred appropriate for it to raise revenues to service debt and fund existing operations), 5) financial operations can be characterized as exercising greater financial independence allowing for increased portion of revenue coming from sales (rather than budget allocation), increased possibilities for retaining excess revenues while holding it responsible for losses, fully accountable for financial performance with liquidation being the final solution in case of insolvency. Aligned with MasterPlan "sin fines de lucros con fines de cubrir costos" including capital investment.	Percentage	(A) Santiago Water/Santiago Sanitation; (B) Urban/Rural; (C) Networked/Non-networked; (D) Poor/Non-poor	Multi-Municipal Utility Annual Report	Multiple Municipal Utility(s) of Santiago	Annual; as of Q12 (Sep-Nov15) and post compact year 3	"Electra is the only company regulated by ARE, and currently operates in Praia, Sao Vicente, Boa Vista and Sal. The baseline data will be sourced from the 2010 Census or ARE databases, and shall be included in the M&E Plan." (Compact Annex III Footnote 5) Target is based on Santiago population as a percent of national population." (Compact Annex III Footnote 6) BNET Indicator 1.1: Water Coverage: Population with easy access to water services (either with direct service connection or within reach of a public water point)/total population under utility's nominal responsibility, expressed in percentage. BNET Indicator 2.1: Sewerage Coverage: Population with sewerage services (direct service connection)/total population under utility's nominal responsibility, expressed in percentage. BNET Indicator Coverage is a key development indicator. All coverage indicators are impacted by whether the data on populations and household sizes is up to date and accurate. The need to estimate populations served by public water points may affect the confidence that can be placed in the water coverage measure. In the WHO Global Water Supply and Sanitation Assessment 2000, reasonable access was defined as "the availability of at least 20 litres per person per day from a source within one kilometer of the user's dwelling". However, we recommend that the population within 250m be used as a rule of thumb. Key features of "corporatized utility" adopted from World Bank Public-Private Partnership in Infrastructure Resource Center for Contracts, Laws and Regulation (PPIRC); refer to www.worldbank.org/ppp .
	Outcome	Satisfactory progress against MCC approved work plan on legal and regulatory reforms (and training of ANAS, ARE, Santiago MMU, DGA and core WASH partner institutions)	Evaluation by an independent assessment mechanism. "The assessment mechanism will include a plan detailing reform milestones based on Compact conditions precedent, IGF set-up criteria, and the results of studies performed prior to entry into force, including national legal reform and new institutional environment for WASH sector studies." (Compact Annex III Footnote 7) TBD by Q4.	Internal Annual Report	Project Activity I and Project Activity II	Annual Assessment of Progress against Work Plan on Legal and Regulatory Reforms and Institutional Training	Independent Third Party Consulting Firm	Annual as of Q4 and post compact year 3	"Assessment mechanism and strategy to monitor and evaluate the quality of reform will be outlined in the M&E Plan, and shall be fully developed by year 1 of Compact implementation. The assessment mechanisms will include a plan detailing reform milestones based on Compact conditions precedent, IGF set-up criteria, and the results of studies performed prior to entry into force, including national legal reform and new institutional environment for WASH sector studies." (Compact Annex III Footnote 7)

	Outcome	Satisfactory technical and financial performance of key public sector institutions responsible for the formulation, implementation and regulation of the water and sanitation policies. 3	Key public sector institutions and corresponding core competencies evaluated in order to ensure that they are clearly defined and executed, duplication of responsibilities avoided and information shared as needed. Core competencies include: 1) CNAS approves strategic plans and new/revised codes of law, 2) ANAS designs and implements sectorial strategic and capital investment plans 3) ARE provides technical oversight and economic regulation of dealers and operators of water and sanitation services; 4) DGA provides technical regulation of sanitation-related activities.	Internal Annual Report	(A) CNAS; (B) ANAS; (C) ARE; (D) DGA	Annual Assessment of Technical and Financial Performance of Key Water and Sanitation Public Sector Institutions and External Court of Accounts Annual Financial Reports	Independent Third Party Consulting Firm and GoCV Court of Accounts	Annual as of Q8 and post compact year 3	"Indicators of core competencies of National Agency for Water and Sanitation (ANAS) and Economic Regulatory Agency (ARE)", Compact Annex III pp. 4 Annex III-6. TBD based on institutional Design Study and TA contract. "Core competency indicators will be determined through a national institutional environment study to be financed by the Compact prior to entry into force. It is expected that the core competencies arising from this design study shall be codified in the appropriate legislative reforms." Compact Annex III Footnote 8 TBD based on Institutional Design Study and TA contract. Core competencies will be identified in 1) design of "New WASH National Institutional Environment" Assessment (31Oct12) as per 20Aug12 WASH work plan. "The IWS is a group of complementary institutions working together to achieve one policy objective and a sound sector in Cape Verde should be based on three core elements: 1) a sector policy and strategy, 2) a sector budget and its medium term expenditure perspective and 3) a sector coordination framework through which the sector strategy, action plans and budget are reviewed and updated." Public Expenditure Management Financial Assessment Report (PEMFAR) pp.16 Rating based on five possible grades ranging from "very unsatisfactory" (20%), "somewhat unsatisfactory" (40%), "neither satisfactory nor unsatisfactory" (60%), "somewhat satisfactory" (80%), and "very satisfactory" (100%) as determined by the average assessment of a panel of experts.
	Output	People receiving formal on-the-job training or technical assistance regarding roles, responsibilities or new technologies.	The number of public officials (ANAS/ARE/DGA/former INGRH personnel/Multiple Municipal Utilities) and local government personnel receiving formal on-the-job training or technical assistance regarding roles, responsibilities, legal and/or procedural matters or new technologies. Clearly define what constitutes "trained"; consider the desired result of training or technical assistance based on "satisfactory completion of required skill set to perform improved function in support of project objectives". Define individualized curriculums, specify course durations (hours) of Activity 2 courses (9).	Number	(A) Male/Female; (B) Curriculum	Administrative Training Records (ANAS/ARE/DGA/former INGRH personnel/Multiple Municipal Utilities)	Training and vocational education (TVET) and/or Information, Education and Communication (IEC) contractors	Semi-annual following initiation of TVET/IEC activities	MCC Common Indicator Guidance (May 2012, Version 1.0, pp.22): "Each country should define clearly what it means to "train" a person taking into consideration the desired result of training or technical assistance. This should be documented in the indicator definition table in the M&E Plan. An individual who receives training or technical assistance multiple times should be counted only once, as one individual trained." Reference: "Towards Better Programming: A Manual on Hygiene Promotion", United Nations Children's Fund (UNICEF) and the London School of Hygiene and Tropical Medicine (LSHTM). Water, Environment and Sanitation Technical Guidelines Series No. 6, 1999. Clearly define what constitutes "trained" in safe WASH practices targeted for "adoption". TVET contractor to develop comprehensive National Training Plan consistent with findings, conclusions and recommendations of approved "Design of New WASH National Institutional Environment"
	Output	People trained in hygiene and sanitary best practices	The number of people who have completed training on "hygiene and sanitary practices" that block the fecal-oral transmission route and contribute to a reduction in infectious diarrheas (dysentery, cholera and typhoid) caused by infectious agents (viruses, bacteria and parasites) and thus contribute to a reduction in child mortality. Targeted safe practices will include a) safe disposal of faeces (primary source of diarrheal pathogens) in the public and domestic environment to prevent infection, b) hand washing with soap (or ash) after stool contact, c) proper techniques for disinfecting latrines and well surrounds, d) keeping water clean, e) rubbish disposal, f) fly control and g) food hygiene.	Number	(A) Municipality; (B) Male/Female; (C) Urban/Rural	Service Provider Administrative records	Information, Education and Communications (IEC) Contractors	Semi-annual following initiation of IEC activities	MCC Common Indicator Guidance (May 2012, Version 1.0, pp.22): "Each country should define clearly what it means to "train" a person taking into consideration the desired result of training or technical assistance. This should be documented in the indicator definition table in the M&E Plan. An individual who receives training or technical assistance multiple times should be counted only once, as one individual trained." Reference: "Towards Better Programming: A Manual on Hygiene Promotion", United Nations Children's Fund (UNICEF) and the London School of Hygiene and Tropical Medicine (LSHTM). Water, Environment and Sanitation Technical Guidelines Series No. 6, 1999. Clearly define what constitutes "trained"; consider the desired result of training. Define curriculums and specify course durations (hours). Semi-annual following initiation of IEC training activities.
	Process	Water quality standards updated	Water quality standards updated, legally decreed and published, including re-use and treated water. Water quality refers to the chemical, physical and biological characteristics of water; a measure of the condition of water relative to the requirements of one or more biotic species and/or to any human need or purpose. The most common standards used to assess water quality relate to health of ecosystems, safety of human contact and drinking water.	Date	(A) Potable; (B) Commercial/Industrial; (C) Agricultural; (D) Wastewater disposal/treatment	Publication in the "Boletim Oficial" of the Imprensa Nacional de Cabo Verde	DGA	One time event (Q5: 29Feb14)	As per 20Aug12 WASH work plan.
	Process	ANAS fully functional	Relevant changes in legislation are approved; administrative rules are in place; internal operating regulations are established; ninety percent (90%) of key management staff are hired in accordance with approved organizational structure; all WASH sector INGRH-relevant functional roles and responsibilities transferred; ANAS executing approved workplan and budget.	Date	None	ANAS Annual Activity Report	ANAS Board of Directors	One time event (Q8:30Nov14)	This milestone triggers the reduction in technical assistance (TA) support to national institutions. It is assumed that ANAS will be fully functional following the second stage implementation of the national institutional technical assistance.
	Process	CNAS fully functional	Members appointed; meetings convened; CNAS performing its designated function of providing policy guidance and implementation oversight of ANAS activities in accordance with CNAS published bylaws.	Date	None	CNAS "Deliberations and Resolutions" published in the "Boletim Oficial" of the Imprensa Nacional de Cabo Verde	CNAS Executive Secretary	One time event (Q8:30Nov14)	
	Process	CNAS and ANAS created	As part of the Legal Review, legislation is passed forming CNAS and ANAS and clarifying the roles and responsibilities for the General Directorate of the Environment (DGA) and Agency for Economic Regulation (ARE).	Date	None	Publication in the "Boletim Oficial" of the Imprensa Nacional de Cabo Verde	MAHOT	One time event (29Nov12)	Conditions Precedent. 1-4 must take place prior to signing Technical Assistance Contract. 1) Anticipated Approval of Final Report (31Oct12) for the design of the "New WASH National Institutional Environment"; 2) Anticipated Approval of Final Report "Comprehensive Legal and Institutional Redrafting of Legislation" and WASH Sector National Regulatory Reform (Legal).
	Process	CNAS and ANAS operational	1) Strategic National Master Plan (SNMP) and Strategic Environmental and Social Assessment (SESA); 2) National Training Plan (TVET); 3) IEC Plan and 4) Social and Gender Mainstreaming Strategy approved by CNAS and being implemented by ANAS.	Date	None	ANAS Performance Report to CNAS and CNAS "Deliberations and Resolutions" published in the "Boletim Oficial" of the Imprensa Nacional de Cabo Verde	President of ANAS Board of Directors and CNAS Executive Secretary	One time event (Q4:30Nov13)	Approval of "Strategic National Master Plan and Strategic Environmental and Social Assessment" and adopted by CNAS; 2) National Institutional Technical Assistance contract awarded; 3) IEC Strategy approved; 4) Social and Gender Mainstreaming Strategy approved by CNAS and being implemented by ANAS; 5) 60% of the staff are appointed and in position; 6) Office set up and equipped; 7) Chairman and CEO (or equivalent) appointed and 8) Departmental managers appointed in line with Institutional Environment program and associated Human Resource Plan.

Activity 2. Utility Reform Activity

2.1 Encourage Corporatization of Utilities Sub-activity

2.2 Strengthen Management and Planning of Aguas de Santiago (Santiago MMUs) Sub-activity

2.3 Reduce Commercial Losses in Santiago Sub-activity

WS-16	Outcome	Incidence of diarrhea	The percentage of individuals reported as having diarrhea in the two weeks preceding the survey. Baseline reference: Tables 27-29 (Casos de afecções e doenças prioritárias notificados por delegacias de saúde, 2010) of the Relatório Estatístico Anual, 2010 (pages 38-40)	Percentage	(A) National; (B) Santiago islands; (C) Santiago Municipalities; (D) Under age 5/Seamates and older	Relatório Estatístico Anual, 2010, Ministério da Saúde	Serviço de Vigilância Epidemiológica, Direção Nacional da Saúde, Ministério da Saúde	Baseline, end-of-compact and post compact year 3	WS-16. MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 27-28): "This information is typically sourced from a household survey. The exact question(s), sampling frequencies and methodology used to collect data for this indicator should be documented in the indicator definition table of the M&E Plan. To the extent possible, contracts should use the WHO definition for diarrhea: the passage of 3 or more loose or liquid stools per day, or more frequently than is normal for the individual. For more information on diarrhea measurement and recall periods, see the 2011 publication on diarrhea measurement in the International Journal of Epidemiology. Although a 7 day recall period is recommended, Living Standard Measurement Surveys (LSMS) and the current Phase 6 Demographic Health Surveys (DHS) measure the percentage of children under the age of five who have had diarrhea in the two weeks preceding the survey, as these are the most vulnerable populations. MCC recommends collecting data on incidence in the last 2 weeks, but will assess the country context and research questions to determine whether or not additional questions with varying recall periods (3 days, 7 days, 2 weeks) are necessary. Illness diaries for children under 15 are also a reliable method for data collection and have been used in studies to record frequency of fever, diarrhea or vomiting over time and may require smaller sample sizes to capture incidence of disease. To the extent possible, data collection for this indicator should capture seasonal variations, particularly in countries with dry and rainy seasons. Statements made to attribute health impacts to the MCC project should only be made in the context of a rigorous, counterfactual-based impact evaluation. Note: A practical guidance for diarrhea measurement in studies is included in the following publications: 1) Wolf-Peter Schmidt, Benjamin F Arnold, Sophie Boisson, and 1 Bernd Gesner, Stephen P. Lyub, Mauricio I. Barreto, Thomas Clasen and Sandy Cairncross "Epidemiological methods in diarrhea studies – an update" Int. J. Epidemiology, Advance Access published November 8, 2011; 2) Florence Devoto, Esther Duflo, Pascaline Dupas, William Pariente, Vincent Pons, "Happiness on Tap: Piped Water in Urban Morocco," The Abdul Latif Jameel Poverty Action Lab, April 2011 and 3) http://www.measuredhs.com/pubs/pdf/DHSQ6/DHS6_Questionnaire_3Jan2012.pdf Long-term outcome level performance indicator to be monitored in Post-Compact M&E Plan. For monitoring purposes only, no annual and/or end-of-compact targets are required. Need to see if Ministry of Health or others are collecting this data. Baseline to be sourced from 1) Ministry of Health "Relatório Estatístico Anual; 2010"; 2) "Relatório da Situação das Crianças; 2011" published by UNICEF-Cape Verde and/or "Inquérito Demográfico e de Saúde Reprodutiva (IDSR II); 2005" conducted by INE. Update baseline data from IDSR III in 2013. Baseline Data Source: "Relatório Estatístico da Saúde", Ministério da Saúde, 2010, Table 28, pp. 39. Provisional baseline refers to the incidence of diarrhea affecting children under five years of age. The incidence of diarrhea reported for individuals greater than five years of age is 2.26%. The 2011 KAP survey will provide a final incidence of diarrhea that conforms to the WHO definition for diarrhea, i.e., the passage of 3 or more loose or liquid stools per day, or more frequently than is normal for the individual reported within 7 day recall period.
	Outcome	Time spent gathering water from home in last week	Time Use Survey in urban and rural areas of all nine Santiago island municipalities focused on household water gathering activities performed during a one week period (one day recall) intended to highlight the time spent on gathering water; a form of unpaid work generally performed by women, teenage girls and children considered to be a major contributing factor to gender inequality and women's poverty. Time spent gathering water includes time spent getting to the closest water point, time queuing to wait for one's turn, time queuing to wait for water supply, time drawing/collecting water and time spent returning from the closest water point. Time Use Study to capture data on incidence of diarrhea of household members within last two week period and household cost of water needs.	Hours per week	(A) Santiago Municipalities; (B) Urban/Rural; (C) Poor/Non-Poor; (D) Male/Female; (E) Male/Female head-of-household; (F) Age	MCA-M&E funded Gender Time Use Survey	MCA-Cape Verde II, Cape Verdean Institute on Gender Equality and Equity (ICEG) and UN Women	Baseline, end-of-compact and post compact year 3	The 2011 KAP survey will provide a final "time spent fetching water" baseline value. Provisional Baseline Data Source: "Preparatory Survey Report on the Water Supply System Development Project in The Republic of Cape Verde", by Japan International Cooperation Agency, Tokyo Engineering Corporation, INGEROSEC Corporation, UNICO International Corporation, January 2011, pp.532, Chapter 4: Project Feasibility Study, pp.66. Average working time (gathering water activities) is reported as: 2 - 3hrs/day (=20liters/time)(5 - 8) times * (20 minutes/time) assuming consumption of 20-30 liters per day per person.

WS-12	Outcome	Access to improved water supply	The percentage of households in the MCC project area who get access to and use an improved water supply such as private piped connections (into dwelling or yard), public tap/standpipe or tanker trucks (tube well, protected dug well, protected spring or rainwater; not applicable). For urban networked projects, this indicator is associated with IBNET indicator 1.1 Note: Select improved water supply sources (tube well, protected dug well, protected spring or rainwater) are not applicable in Cape Verde and, therefore, will not be reported. Cape Verde households rely upon multiple improved water sources.	Percentage	(A) IGF Intervention Areas; (B) Poor/Non-poor; (C) Urban/Rural; (D) Male/Female head-of-household	Multiple Municipal Utility (MMU) Delegations/ANAS Administrative Records	Multiple Municipal Utility(s) of Santiago/ANAS	End-of-compact and post compact year 3	WS-12 Annex III. 14. MCC Common Indicator Guidance (May 2012, Version 1.0, pp.25): "The M&E Plan indicator definition table should specify the definition of "improved" being used under the project. Depending on the area served, a census count or household survey could be conducted to identify the percentage of households with access to improved water supply and its specific source. The baseline for this indicator would be the percentage of households with improved water supply at the beginning of the project. The change in this indicator may not be attributed solely to MCC since many other factors could influence household water supply. Assumptions and caveats required for statements regarding the project's impact on access to improved water supply should be documented in the indicator definition table of the M&E Plan. The inputs (i.e. numerator and denominator) for this indicator must be included in the ITT indicator input spreadsheet(s)." Improved water source includes "household connected to the public water network, different from the sewer network using a flush to piped sewer system, flush to septic system, borehole or flush or pour over to somewhere else." (Compact Annex III-Footnote 14). "Water consumption survey will be used to establish baseline for the M&E Plan." (Compact Annex III-Footnote 15). "Improved sanitation and improved water sources classifications are based on the Joint Monitoring Program for Water Supply and Sanitation by the World Health Organization and UNICEF. According to the WHO and UNICEF Joint Monitoring Program (JMP) "improved drinking water sources is defined as one that, by nature of its construction or through active intervention, is protective from outside contamination, in particular from contamination with faecal matter". In Cape Verde, "improved water sources" includes household connections to the public water network (different from the sewer network), public fountains/stand pipes, pump trucks, bottle water, protected springs, protected reservoirs and protected wells. For urban networked projects, this indicator is associated with International Benchmarking Network for Water and Sanitation Utilities (IBNET) Indicator 1.1. For monitoring purposes only; no annual and/or end-of-compact target required. Access to improved water sources will be monitored through IGF funded projects. Use findings of MCC-funded 2011 WASH/LAND Baseline Survey conducted by INE as baseline value. UN Women and ICEG is designing a time use model. Baseline source: 2011 Baseline Beneficiary Knowledge, Attitude and Perception (KAP) Survey of Water and Sanitation and Land Services, data collection instrument designed by MCC-DPE, data collected by Cape Verde National Statistical Institute.
WS-13	Outcome	Access to improved sanitation	The percentage of households in the MCC project area who get access to and use an improved sanitation facility such as flush toilet to a piped sewer system, flush toilet to a septic tank, flush or pour flush toilet to a pit, composting toilet, ventilated improved pit latrine or pit latrine with slab and cover.	Percentage	(A) IGF Intervention Areas; (B) Poor/Non-poor; (C) Urban/Rural; (D) Male/Female head-of-household	MMU administrative records	Multiple Municipal Utility(s) of Santiago	Baseline, end-of-compact and post compact year 3	MCC Common Indicator Guidance (May 2012, Version 1.0, pp.26): "The M&E Plan indicator definition table should specify the definition of "improved" being used under the project. Depending on the area served, a census count or household survey could be conducted to identify the percentage of households with access to improved sanitation and its specific source. The baseline for this indicator would be the percentage of households with improved sanitation at the beginning of the project. The change in this indicator may not be attributed to solely MCC since many other factors could influence household sanitation. Assumptions and caveats required for statements regarding the project's impact on access to improved water supply should be documented in the indicator definition table of the M&E Plan. The inputs (i.e. numerator and denominator) for this indicator must be included in the ITT indicator input spreadsheet(s)." Classifications for improved sanitation facilities conform to the Joint Monitoring Program (JMP) of UNICEF and WHO. Provisional baseline of 57.3% of Cape Verde households are connected to the public sanitation network or septic tank, according to QUIBB 2007. Refer to: "Análise da Situação da Criança e Adolescente em Cabo Verde", prepared by UNICEF and ICCA, 2011, pp.40.
WS-15	Outcome	Industrial/ Commercial water consumption	The average amount of commercial water consumed measured in cubic meters per month. (IBNET Indicator 4.4)	Cubic meters per month	(A) Santiago Municipalities; (B) Urban/Rural; (C) Networked/Non-networked	MMU administrative records	Multiple Municipal Utility(s) of Santiago	Annual and post compact year 3	MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 27): "The data can be calculated based on water consumed by businesses as registered from water meter or the utility's data base, or by a survey. Survey data is preferred as accurate service population information may not be available from utilities unless the utilities undertake analysis to understand their consumer profiles. All assumptions used to calculate cubic meters per month should be documented in the indicator definition table in the M&E Plan." Equivalent to International Benchmarking Network for Water and Sanitation Utilities (IBNET) indicator 4.4. Baseline will be collected through the Master Plan. Baseline Data Source: To be established following consultation with Municipal Government Water and Sanitation Service (SAAS).
WS-14	Outcome	Residential water consumption	The average water consumption in liters per person per day. (IBNET Indicators 4.7 and 4.3)	Liters per capita per day	(A) Santiago Municipalities; (B) Urban/Rural; (C) Networked/Non-networked; (D) Poor/Non-poor; (E) Male/Female head-of-household	MMU administrative records	Multiple Municipal Utility(s) of Santiago	Annual and post compact year 3	WS-14. MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 26-27): "The data can be calculated based on water consumed by households as registered from water meter or the utility's data base, or by a household survey. The persons served would be calculated by multiplying the households by persons per household. Household survey data is preferred as accurate service population information may not be available from utilities unless the utilities undertake analysis to understand their consumer profiles. All assumptions used to calculate liters per person per day should be documented in the indicator definition table in the M&E Plan." International Benchmarking Network for Water and Sanitation Utilities (IBNET) Indicator 4.7 and 4.3 designed on urban measurements but also applicable to rural measurements. "Baseline derived from the 2010 Water and Sanitation Survey collected by INE. Quartile 1 refers to the lowest income group, quartile 4 refers to the highest income group." (Compact Annex III-Footnote 18) "Targets for increased household water consumption will be based on estimated reductions of technical losses as opposed to increases in water production." (Compact Annex III-Footnote 19). Data is for monitoring purposes only. No targets required. Baseline Data Source: "Preparatory Survey Report on the Water Supply System Development Project in the Republic of Cape Verde", by Japan International Cooperation Agency, Toyo Engineering Corporation, NGEROSEC Corporation, UNICO International Corporation, January 2011, pp.532, Table 2.7-2: Average Household Water Consumption from Public Water Supply, pp.123. As per Compact Annex III, "average water consumption in liters per person per day for Santiago households will be disaggregated by a) income quartiles and b) the gender of head of household. Accordingly, a) 17.1 liters per capita per day corresponds to quartile 1, b) 31.7 liters per capita per day corresponds to quartile 2, c) 33.0 liters per capita per day corresponds to quartile 3, d) 62.7 liters per capita per day corresponds to quartile 4 where quartile 1 refers to the lowest income group and quartile 4 refers to the highest income group. Monitoring of increased household water consumption will be based on a) reduction of technical losses as opposed to increases in water production in combination with b) IGF funded Category II and Category III water supply projects.
Outcome	Household cost of water needs	Total cost to consumer should include tariffs paid, connection costs (direct and otherwise), commercial purchases, value of time collecting water and household coping costs (direct and otherwise) due to reliability concerns.	USD per cubic meter	(A) Santiago Municipality; (B) Urban/Rural; (C) Poor/Non-Poor; (D) Male/Female head-of-household	MCA-CV II-funded Household Survey	MCA-CV II	Baseline, end-of-compact and post compact year 3	"Targets will be established based on assumptions of decreasing costs for populations served by regulated, corporatized utilities. Baselines and the manner of calculation will be established in collaboration with an independent impact evaluation firm, and will use a combination of statistically representative surveys." (Annex III Footnote 1)	
Outcome	Average recovery price of water for corporatized utilities	Cost of operations + 24 hour supply factor + maintenance investment	USD per cubic meter	(A) ARE; (B) Santiago MMU	Service provider financial records and capital investment plan	Multiple Municipal Utility(s) of Santiago	Annual as of Q4 (30Nov13) and post compact year 3	Information will be sourced from 1) "Strategic National Master Plan for Water and Sanitation (SNMP) and Strategic Environmental Assessment (SEA)" and/or 2) "Water and Wastewater Master Plan (25 year) for Santiago Island including Strategic Environmental and Social Assessment (SESA)" "Baselines and targets will be established based on inputs from an "Economic Viability Study" to be financed by the Compact, as well as through the support of technical assistance consultants." (Compact Annex III Footnote 3) "Baseline will be established, and targets verified, based on inputs from the economic viability study." (Compact Annex III Footnote 4)	
Outcome	Annual budgets and independent annual audits of participating multiple municipal utilities of Santiago published	Annual budgets, subsidies and independent annual audits of participating Santiago municipal water utilities published.	Date(s)	(A) Water Budgets/Water Subsidies; (B) Sanitation Budgets/Sanitation Subsidies	Annual reports and independent annual audits	Multiple Municipal Utility(s) of Santiago and GoCV Court of Accounts	Annual as of Q4 (30Nov13) and post compact year 3	Baseline and targets established through Economic Viability Study.	
WS-10	Outcome	Operating cost coverage	Total annual operational revenues divided by total annual operating costs. (IBNET Indicator 24.1) (Calculation: OPC = R/C where OPC = Operation Cost Coverage, R = Total Annual Operational Revenue and C = Total Annual Operational Cost (including maintenance). MCC/MCA-Cape Verde should clearly define how depreciation and maintenance are incorporated into the financial calculation. This should be documented in the indicator definition table in the M&E Plan.	Percentage	(A) Water; (B) Sanitation	Annual financial statements	Multiple Municipal Utility(s) of Santiago	Annual as of Q16 (30Nov16) and post compact year 3	Condition Precedent. MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 24): "This indicator focuses on financial performance of the utility to make a determination of the utility is financially viable and can cover its costs. (Calculation: OPC = R/C where OPC = Operation Cost Coverage, R = Total Annual Operational Revenue and C = Total Annual Operational Cost (including maintenance). Each country should clearly define how depreciation and maintenance are incorporated into the financial calculation. This should be documented in the indicator definition table in the M&E Plan." Baseline to be obtained from "Economic Viability Study and Comprehensive Tariff Study", (30Jun13) and "Comprehensive Tariff Study" (30Dec13) as per WASH 20Aug12 work plan.
WS-9	Outcome	Continuity of Service	Average hours of service per day for water supply. (IBNET Indicator 15.1)	Hours per day	(A) Municipality; (B) Urban/Rural; (C) Networked/Non-networked; (D) Poor/Non-poor(E) Male/Female head-of-household	ANAS administrative records	ANAS	Annual as of Q12 (30Nov15) and post compact year 3	MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 24): "Data reported should exclude planned outages. This indicator focuses on "Quality of Service" as defined by IBNET. Source of data can either be utility hours of operation or a household survey; a household survey is preferred." "Non-revenue Water Study and Santiago Infrastructure Needs and Master Plan Study, to be financed by the Compact prior to entry into force, will aid in establishing baseline(s), annual targets and end-of-Compact targets as necessary. Targets for increased supply reliability will be based on estimated reductions of technical losses as opposed to increases in water production." (Compact Annex III-Footnote 11)
Outcome	Objective Measure of Water Quality	Independent laboratory results of randomized municipal water samples of fecal coliform counts (and/or residual Cl2) at the water treatment works and points of use.	Number per 100 ml (and/or mg/l)	Networked and Non-networked	Independent laboratory analyses of randomized municipal water samples	ANAS/DGA	Semi-annual as of Q8 (30Nov14)		
Outcome	Collection Ratio	"Cash income" divided by "billed revenue" expressed as a percentage. (IBNET indicator 23.2)The effectiveness of the collections process is measured by the amount of outstanding revenues at year end compared to the total billed revenue for the year, in day equivalents, and by the total amount collected as a percentage of the billed amount.	Ratio	Potable Water/Sanitation	Multiple Municipal Utility(s) of Santiago financial records	Multiple Municipal Utility(s) of Santiago	Annual as of Q16 (30Nov16) and post compact year 3	IBNET reference: Billing customers, and getting paid are two different things. The effectiveness of the collections process is measured by the amount of outstanding revenues at year end compared to the total billed revenue for the year, in day equivalents, and by the total amount collected as a percentage of the billed amount. Baseline Data Source: To be established following consultation with Municipal Government Water and Sanitation Service (SAAS).	

	Outcome	MMU Staff per 1,000 potable water connections	Total number of staff (full-time equivalent) expressed as per thousand connections (IBNET Indicator 12.1)	Ratio	(A) MMU Delegations; (B) Male/Female	Multiple Municipal Utility(s) of Santiago employment records	Multiple Municipal Utility(s) of Santiago	Annual as of Q4 (30Nov13)	<p>IBNET reference: Staff costs are traditionally a major component of operating costs. Understanding staffing levels can often give a quick guide to the extent of any over-manning in a water utility. While it is preferable to be able to allocate staff time to either water or wastewater services, this information is sometimes not available. Comparisons are best made between utilities which offer the same scope of service both in terms of total size, and mix of water and sewer service. Note that where outside contractors are used (see indicator 14.1), staff number comparisons should take this into account.</p> <p>http://www.ih-net.org/en/texts.php?folder_id=106&mat_id=87&L1&S=2&S=6</p> <p>According to Table 2.4.3: Number of Connections and Employees (SAAS) of the "Preparatory Survey Report on The Water Supply System Development Project in The Republic of Cape Verde", prepared by Japan International Cooperation Agency, Toyo Engineering Corporation, INGERSEC Corporation and UNICO International Corporation, dated January 2011, pp. 2-34, the average number of staff per 1,000 connections for Santiago Island, excluding Praia and San Miguel municipalities, is equal to 20; i.e., 16,348 connections; 334 employees; 20 staff/1,000 connections. Given:</p> <p>São Domingos (800 connections; 93 employees; 116 staff/1,000 connections) Santa Cruz (5,000 connections; 23 employees; 4.6 staff/1,000 connections) Tarrafal (3,724 connections; 57 employees; 15 staff/1,000 connections) Santa Catarina (4,906 connections; 96 employees; 20 staff/1,000 connections) Ribeira Grande (782 employees; 16 employees; 20 staff/1,000 connections) São Lourenço dos Órgãos (860 connections; 31 employees; 36 staff/1,000 connections) São Salvador (276 connections; 18 employees; 65 staff/1,000 connections) São Miguel (not reported)</p> <p>Note: As no data was reported for Praia and São Miguel, the calculation for the "average staff/1,000 connections" on Santiago Island may differ significantly from that reported in the provisional baseline. Final baseline to be reported following confirmation with municipal government water and sanitation services including Electra and ADA (Praia).</p>
WS-8	Outcome	Non-revenue water for Multiple Municipal Utility(s)	Difference between water supplied and water sold (i.e. volume of water "lost"); expressed as a percentage of net water supplied (IBNET Indicator 6.1)	Percentage	(A) Technical losses; (B) Administrative losses	Multiple Municipal Utility(s) of Santiago administrative records	Multiple Municipal Utility(s) of Santiago	Annual as of Q4 (30Nov13) and post compact year 3	<p>IBNET reference: Non-revenue water represents water that has been produced and is "lost" before it reaches the customer (either through leaks, through theft, or through legal usage for which no payment is made). Part of this "lost" water can be retrieved by appropriate technical and managerial actions. It can then be used to meet currently unsatisfied demand (and hence increase revenues to the utility), or to defer future capital expenditures to provide additional supply (and hence reduce costs to the utility). The IWA distinguish between non-revenue water (N) and unaccounted for water, with the latter not including legal usage that is not paid for. The indicators are usually measured in m³/com/day. The difference is usually small, and the IBNET Toolkit therefore only uses non-revenue water as an indicator. There is a debate as to the most appropriate measure of non-revenue water. A percentage approach can make utilities with high levels of consumption, or compact networks, look to be better performing than those with low levels of consumption or extensive networks. To capture these different perspectives the reporting of three measures of non-revenue water has become the norm.</p>
	Outcome	Percentage of individuals adopting improved WASH behaviors and practices	The number of people that have adopted WASH "hygiene and sanitary practices" that block the fecal-oral transmission route divided by the number of people who have completed training.	Percentage	(A) IGF Intervention Areas; (B) Urban/Rural; (C) Poor/Non-poor; (D) Male/Female Head-of-Household	MCA-CV II Household Survey	MCA-CV II	Baseline and end-of-compact	<p>MCC Common Indicator Guidance (May 2012, Version 1.0, pp.22): "Each country should define clearly what it means to "train" a person taking into consideration the desired result of training or technical assistance. This should be documented in the indicator definition table in the M&E Plan. An individual who receives training or technical assistance multiple times should be counted only once, as one individual trained."</p> <p>Reference: "Towards Better Programming: A Manual on Hygiene Promotion", United Nations Children's Fund (UNICEF) and the London School of Hygiene and Tropical Medicine (LSHTM), Water, Environment and Sanitation Technical Guidelines Series No. 6, 1999.</p> <p>Semi-annual following initiation of IEC training activities. A follow-up observational survey will be conducted on people who have completed IEC training on "hygiene and sanitary practices".</p>
	Outcome	Client satisfaction with supply reliability	Percent of population that are either "very dissatisfied" or "dissatisfied" with water reliability.	Percentage	(A) Dissatisfied/Very Dissatisfied; (B) Satisfied/Very Satisfied; (C) Municipality; (D) Urban/Rural; (E) Poor/Non-Poor; (F) Male/Female-head-of-household	MCA-CV II Household Survey	MCA-CV II	Baseline, end of compact and post compact year 3	<p>Definition as per Compact Annex III: "Total number of water and waste water complaints per year expressed as a percentage of the total number of water and waste water connections disaggregated by income quartile."</p> <p>"Results from the 2010 Water and Sanitation Survey collected by the National Statistical Institute (INE) show that 36 percent of head of household respondents are either "very dissatisfied" (11 percent) or "dissatisfied" (25 percent) with the reliability of piped public water in Santiago, whereas 46 percent of respondents indicate that they are either "satisfied" (41 percent) or "very satisfied" (5 percent) with the reliability of piped public water in Santiago. M&E Plan will provide income disaggregation for this indicator." Compact Annex II-Footnote 10</p>
	Outcome	Client satisfaction with water quality	Percent of population that are either "very dissatisfied" or "dissatisfied" with water quality.	Percentage	(A) Dissatisfied/Very Dissatisfied; (B) Satisfied/Very Satisfied; (C) Municipality; (D) Urban/Rural; (E) Poor/Non-poor; (F) Male/Female-head-of-household	MCA-CV II Household Survey	MCA-CV II	Baseline, end of compact and post compact year 3	<p>Definition as per Compact Annex III: "Total number of water and waste water complaints per year expressed as a percentage of the total number of water and waste water connections disaggregated by income quartile."</p> <p>"Results from the 2010 Water and Sanitation Survey collected by the National Statistical Institute (INE) show that 36 percent of head of household respondents are either "very dissatisfied" (11 percent) or "dissatisfied" (25 percent) with the reliability of piped public water in Santiago, whereas 46 percent of respondents indicate that they are either "satisfied" (41 percent) or "very satisfied" (5 percent) with the reliability of piped public water in Santiago. M&E Plan will provide income disaggregation for this indicator." Annex II-Footnote 10 Refer to MCC-funded 2011 WASH/LAND Baseline Survey conducted by INE for establishing baseline and 2017 WASH/LAND Endline Survey for reporting actuals at the end-of-compact.</p>
WS-11	Outcome	Volume of water produced	Total volume of water produced in cubic meters per day for the service area, i.e. leaving treatment works operated by the utility and purchased treated water, if any.	Cubic meters per day	(A) Ground water; (B) Surface water; (C) Desalinated water	Independent water producer production records	ARE/ANAS	Semi-annual as of Q8(30Nov14)	<p>WS-11. MCC Common Indicator Guidance (May 2012, Version 1.0, pp.25): None Provided.</p> <p>Monitoring of volume of water produced will be based on IGF funded Category II and Category III water supply projects.</p>
WS-1	Process	Value of signed water and sanitation feasibility and design contracts	The value of all signed feasibility, design, and environmental contracts, including resettlement action plans, for water and sanitation investments using 609(g) and compact funds. (MCC-Common Indicator Guidance, pp. 20)	US Dollars	(A) 609(g) Funds; (B) CIF and Compact Funds	Financial records	MCA-CV II	Quarterly	<p>MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 20): "If the value of a contract changes, the total contract value should be reported in the quarter that the change occurred. Costs associated with pre-feasibility, supervision or management should not be included."</p>
	Process	Value disbursed of signed water and sanitation feasibility and design contracts	The total amount disbursed of all signed feasibility, design, and environmental contracts, including resettlement action plans, for water and sanitation investments.	US Dollars	(A) 609(g) Funds; (B) CIF and Compact Funds	Financial records	MCA-CV II	Quarterly	
WS-2	Process	Percent disbursed of water and sanitation feasibility and design contracts	The total amount of all signed feasibility, design, and environmental contracts, including resettlement action plans, for water and sanitation investments disbursed divided by the total value of all signed contracts.	Percentage	(A) 609(g) Funds; (B) CIF and Compact Funds	Financial records	MCA-CV II	Quarterly	<p>MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 20): "If the value of a contract changes, the total contract value should be reported in the quarter that the change occurred. Costs associated with pre-feasibility, supervision or management should not be included."</p> <p>Numerator = Value disbursed of water and sanitation feasibility and design contracts. Denominator = Value of signed water and sanitation feasibility and design contracts (WS-1)."</p>
	Process	Value of all signed technical advisory services and training contracts in support of the Water, Sanitation and Hygiene Project	The value of all signed consulting contracts for technical advisory and training services.	US Dollars	(A) Technical Advisory; (B) Technical and Vocational Education Training; (C) Source of Funds (609g/Compact Funds)	Financial records	MCA-CV II	Quarterly	<p>Proposed Guidance: If the value of a contract changes, the total contract value should be reported in the quarter that the change occurred. Costs associated with pre-feasibility, supervision or management should not be included.</p>
	Process	Value disbursed of all signed technical advisory services and training contracts in support of the Water, Sanitation and Hygiene Project	The value disbursed of all signed consulting contracts for technical advisory and training services.	US Dollars	(A) Technical Advisory; (B) Technical and Vocational Education Training; (C) Source of Funds (609g/Compact Funds)	Financial records	MCA-CV II	Quarterly	
	Process	Percent disbursed of technical advisory services and training contracts in support of the Water, Sanitation and Hygiene Project	The total amount of all signed consulting contracts for technical advisory and training services disbursed divided by the total value of all signed contracts.	Percentage	(A) Technical Advisory; (B) Technical and Vocational Education Training; (C) Source of Funds (609g/Compact Funds)	Financial records	MCA-CV II	Quarterly	<p>Proposed Guidance: If the value of a contract changes, the total contract value should be reported in the quarter that the change occurred. Costs associated with pre-feasibility, supervision or management should not be included. Numerator = Value disbursed of all signed consulting contracts for technical advisory and training services. Denominator = Value of all signed consulting contracts for technical advisory and training services.</p>
	Process	MAHOT and SAAS sign MOU transitioning to independently operated/managed Multiple Municipal Utility(s) of Santiago	MAHOT and Santiago Island municipalities sign Memorandum of Understanding transitioning to independently operated/managed MMU	Date	None	Publication in The "Boletim Oficial" of the Imprensa Nacional de Cabo Verde (http://kiosk.incv.cv)	MAHOT	One time event	<p>Condition for Disbursement: "Prior to disbursement of Program funding for the Utility Reform Activity, the SAAS shall have committed to the transition to an independently operated and managed Agúas de Santiago (Santiago MMUs) in a memorandum of understanding among MAHOT and the municipalities or such other document acceptable to the Government and MCC." (Compact Annex I-5)</p>
	Process	GoCV ensures Multiple Municipal Utility(s) of Santiago island sufficient equity to support operations and working capital needs	GoCV ensures that Multiple Municipal Utility(s) of Santiago Island has sufficient equity contributions, or other non-reimbursable funding from its shareholders to support its operations and working capital needs, in accordance with the findings of the economic and financial viability study.	Date	None	ARE Database	ARE	Annual	<p>Condition for Disbursement: "Continued support for the [Utility Reform] sub-activities described in paragraphs (i)(B) and (ii)(C) of [Annex I of the Compact] is conditioned on the Government ensuring that Agúas de Santiago (Santiago MMUs) has sufficient equity contributions, or other non-reimbursable funding from its shareholders to support its operations and working capital needs, in accordance with the economic and financial viability study undertaken in sub-activity (i)(B) above and satisfactory to MCC." (Compact Annex I-5)</p>
	Process	Multiple Municipal Utility(s) created as an independent corporatized entity based on cost-of-service	As set forth more specifically in the Program Implementation Agreement (PIA), MCC Funding for the IGF will be made available incrementally subject to the achievement of reform milestones. Prior to making the second tranche of funding available under the IGF, MMU shall have been created as an independent, corporatized entity that is based on cost-of-service by rate class and which addresses pro-poor tariffs.	Date	None	Publication in The "Boletim Oficial" of the Imprensa Nacional de Cabo Verde (http://kiosk.incv.cv)	MAHOT	One time event	<p>Condition Precedent: "As set forth more specifically in the Program Implementation Agreement, MCC Funding for the IGF will be made available incrementally subject to the achievement of reform milestones. Prior to making the second tranche of funding available under the IGF, Agúas de Santiago (Santiago MMUs) shall have been created as an independent, corporatized entity that is based on cost-of-service by rate class and which addresses pro-poor tariffs. (Compact Annex I-6)</p>

	Outcome	Demonstrated performance of eligible entity(s) towards "corporatization", as defined under IGF Operations Manual, for individual investments at signing of grant agreements. Eligible entities applying for IGF grants for individual investments demonstrate incremental progress towards "corporatization" at the time of signing of grant agreements.	As defined under the IGF Operations Manual, eligible entities applying for IGF grants for individual investments demonstrate incremental progress towards "corporatization" at the time of signing of grant agreements for Category I, II and III projects. Provisional IGF eligibility requirements/criteria include: Category I: Eligible entities (Municipality, Utilities and Independent Private Operators) are required to demonstrate incremental progress on the following key features of "Corporatization" in order to be considered eligible applicants for Category I Grants (Studies and Technical Assistance): a) progress towards autonomous management and b) Management/Operational Plan with performance indicators identified. Category II: Eligible entities (Municipality, Utilities and Independent Private Operators) are required to demonstrate incremental progress on the following key features of "Corporatization" in order to be considered eligible applicants for Category II Grants (Existing Network Improvements and Off-network Improvements): a) autonomous management/registered as an enterprise, b) progress against Management/Operational Plan with performance indicators identified, c) financial transparency and d) reduced commercial losses/improved collections and revenues. *Note: municipalities are restricted to off-network water and sanitation projects only with utility endorsement. Category III: Eligible entities (Corporatized Utilities and Independent Private Operators) are required to demonstrate incremental progress on the following key features of "Corporatization" in order to be considered eligible applicants for Category III Grants (Existing Network Improvements & Off-Network Improvements): fully autonomous management, b) optimized staffing, c) externally validated financial transparency, d) reduction water losses and e) improved sanitation operations.	Number	(A) Eligible Entity; (B) Grant Category	Notorized and validated IGF Category I, II and III applications forms	MCA-CPV II/ANAS	Semi-annual	Note: Provisional IGF eligibility requirements and criteria are based on the 19Oct11 Draft "Cape Verde Infrastructure Grant Facility (IGF)" Water, Sanitation and Hygiene Facility Activity Description. Refer to findings, conclusions and recommendations of the "Infrastructure Grant Facility for WASH Sector (IGF)" study; estimated delivery date is anticipated for May-June 2013.
WS-7	Outputs	Water points constructed	The number of non-networked, stand-alone water supply systems constructed, such as: protected dug wells, tube-wells / boreholes, protected natural springs and rainwater harvesting / catchment systems.	Number	(A) IGF/Social Fund Intervention Areas; (B) Water/Sanitation; (C) Poor/Non-Poor; (D) Male/Female head-of-household	Annual Reports	Multiple Municipal Utility(s) of Santiago	Annual	MCC Common Indicator Guidance (May 2012, Version 1.0, pp.23): None provided.
	Process	Value of IGF Social Fund for disadvantaged groups and/or poor households	Value of IGF Social Fund for those people or groups who are especially susceptible to shocks and who have a relative lack of access to financial, public and social resources. For the purposes of the Social and Gender Integration Plan (SGIP), the poorest (less than USD 2 per day) and women-headed households are considered to be vulnerable, or disadvantaged.	US Dollars	(A) IGF Social Fund Intervention Areas; (B) Male/Female Head-of-household; (C) Planned/Non-planned Community; (D) Water/Sanitation	Infrastructure Grant Facility Activity (IGF) financial records	IGF	Quarterly	
	Process	Value disbursed of IGF Social Funds for disadvantaged groups and/or poor households	The value disbursed of all IGF Social Funds for disadvantaged groups and/or poor households	US Dollars	(A) IGF Social Fund Intervention Areas; (B) Male/Female Head-of-household; (C) Planned/Non-planned Community; (D) Water/Sanitation	Infrastructure Grant Facility Activity (IGF) financial records	IGF	Quarterly	
	Process	Percent disbursed of IGF Social Funds to disadvantaged groups and/or poor households	The total amount of IGF Social Funds disbursed to disadvantaged groups and/or poor and households divided by the total value of facility funds.	Percentage	(A) IGF Social Fund Intervention Areas; (B) Male/Female Head-of-household; (C) Planned/Non-planned Community; (D) Water/Sanitation	Infrastructure Grant Facility Activity (IGF) financial records	IGF	Quarterly	
	Process	Operations Manual for the IGF approved by MCA-Cape Verde II and MCC	The design of the Infrastructure Grant Facility (IGF) for the WASH Sector and Environment Social Manual Framework (ESMF) are completed and integrated; the integration of which results in an MCA/MCC approve IGF Operations Manual.	Date	None	IGF Operations Manual published to the MCA-CVII Web site	MCA-CV II	One time event (Q3:30Aug13)	Condition Precedent: "As set forth more specifically in the Program Implementation Agreement, MCC Funding for the IGF will be made available incrementally subject to the achievement of reform milestones. Prior to making the first tranche of funding available under the IGF, the Government shall make an appropriate matching contribution to the IGF as per the agreed Government contribution schedule in the Program Implementation Agreement." (Compact Annex 1-7)
	Process	GoCV makes matching contribution to the IGF	"As set forth more specifically in the Program Implementation Agreement, MCC Funding for the IGF will be made available incrementally subject to the achievement of reform milestones. Prior to making the third tranche of funding available under the IGF, the Government shall make an appropriate matching contribution to the IGF as per the agreed Government contribution schedule in the Program Implementation Agreement." (Compact Annex 1-7) "GoCV contributions to the IGF from receipts of environmental tax to fund projects selected by the IGF is equal to USD 1,449,664 (equivalent to USD 483,221 in 2013, 2014 and 2015) and b) Funding (loans or grants) from donors to the GoCV for projects selected by the IGF is equal to USD 4,500,000 (equivalent to USD 1,500,000 in 2014, 2015 and 2016). As per Annex 2 (Country Contributions), page 1, of the 30Jul12 signed PIA, paragraph (a). "The amount of MCC funding in the third tranche of the Infrastructure Grant Facility, shall at no time exceed the total amount of government and third party firm commitments of funding by the government or other donors to the Infrastructure Grant Facility, as reported in connection with the country contribution schedule set for in Annex 3; provided that the expenditures made pursuant to such commitments are reasonably expected to be made prior to the expiration of the compact term." As per Annex 3 (Conditions Precedent to Program Funding), page 2-3, of the 30Jul12 signed PIA.	US Dollars	Tranche I, II and III	SIGOF	MCA-CV II	Quarterly	Condition Precedent: "As set forth more specifically in the Program Implementation Agreement, MCC Funding for the IGF will be made available incrementally subject to the achievement of reform milestones. Prior to making the third tranche of funding available under the IGF, the Government shall make an appropriate matching contribution to the IGF as per the agreed Government contribution schedule in the Program Implementation Agreement." (Compact Annex 1-7) As per Annex 2 (Country Contributions), page 1, of the 30Jul12 signed PIA, a) "GoCV contributions to the IGF from receipts of environmental tax to fund projects selected by the IGF is equal to USD 1,449,664 (equivalent to USD 483,221 in 2013, 2014 and 2015) and b) Funding (loans or grants) from donors to the GoCV for projects selected by the IGF is equal to USD 4,500,000 (equivalent to USD 1,500,000 in 2014, 2015 and 2016). As per Annex 3 (Conditions Precedent to Program Funding), page 2-3, of the 30Jul12 signed PIA, "The amount of MCC funding in the third tranche of the Infrastructure Grant Facility, shall at no time exceed the total amount of government and third party firm commitments of funding by the government or other donors to the Infrastructure Grant Facility, as reported in connection with the country contribution schedule set for in Annex 3; provided that the expenditures made pursuant to such commitments are reasonably expected to be made prior to the expiration of the compact term."
WS-3	Process	Value of signed water and sanitation construction contracts	The value of all signed contracts for construction, reconstruction, rehabilitation, or upgrading of water and sanitation works using compact funds.	US Dollars	(A) Municipality; (B) Category II/III Contracts; (C) Water/ Sanitation; (D) Poor/Non-poor; (E) Male/Female head-of-households	Administration and Finance Unit, MCA-CV II	MCA-CV II	Quarterly as of Compact Year 3	MCC Common Indicator Guidance (May 2012, Version 1.0, pp.20): "If the value of a contract changes, the total contract value should be reported in the quarter that the change occurred. Cost sharing by others (e.g., the non-MCC funding component of any co-financing with other donors or government) should not be included. Costs associated with supervision or management should not be included."
	Process	Total value disbursed of signed water and sanitation construction contracts	The total value disbursed of all signed contracts for construction, reconstruction, rehabilitation, or upgrading of water and sanitation works using compact funds.	US Dollars	(A) Municipality; (B) Category II/III Contracts; (C) Water/ Sanitation; (D) Poor/Non-poor; (E) Male/Female head-of-households	Administration and Finance Unit, MCA-CV II	MCA-CV II	Quarterly as of Compact Year 3	
WS-4	Process	Percent disbursed of water and sanitation construction contracts	The total amount disbursed of all signed contracts for construction, reconstruction, rehabilitation, or upgrading of water and sanitation works divided by the total value of all signed contracts using compact funds.	Percentage	(A) Municipality; (B) Category II/III Contracts; (C) Water/ Sanitation; (D) Poor/Non-poor; (E) Male/Female head-of-households	Administration and Finance Unit, MCA-CV II	MCA-CV II	Quarterly as of Compact Year 3	MCC Common Indicator Guidance (May 2012, Version 1.0, pp.20): "Numerator = Value disbursed of water and sanitation construction contracts. Denominator = Value of signed water and sanitation construction contracts (WS-3)."
WS-5	Process	Temporary employment generated in water and sanitation construction	The number of people temporarily employed or contracted by MCA-contracted construction companies to work on construction of water or sanitation systems.	Number	Male/Female	Contractor(s) payroll records	Contractor	Quarterly	MCC Common Indicator Guidance (May 2012, Version 1.0, pp.22): "This indicator counts the number of people contracted, not the amount of time that those people were temporarily employed. Even if a person was contracted for one day, he/she should be counted. Both local and foreign workers should be included. Informal employment generated by construction activities is not included."

Cape Verde II LAND PROJECT
Annex I: Indicator Documentation

Common Indicator	Indicator Level	Indicator Name	Definition	Unit of Measure	Disaggregation	Primary Data Source	Responsible Party	Frequency of Reporting	Additional Information
PROGRAM GOAL									
	Goal	GDP per capita	Gross domestic product (GDP) is the market value (price at which an asset would trade in a competitive auction setting; often used interchangeably with open market value, fair value or fair market value) of all officially recognized final goods and services produced within a country in a given period of time.	US Dollars	(A) Cape Verde; (B) Intervention islands of high tourism investment potential (Sal, Boa Vista, Sao Vicente and Maio)	The World Bank Group Data (http://data.worldbank.org/country/cape-verde)	The World Bank Group	Annual as of Q4 and post compact year 3	Cape Verde 2011 GDP (current US\$) = 1.901 billion with population of 500,600. World Bank uses product approach for estimating GDP. Source: http://data.worldbank.org/country/cape-verde 09Nov12 MCA-CPVII requested of INE the latest official reported data and date of systematic annual publications. INE uses product approach for estimating GDP. INE anticipates estimating GDP by island for FY13 in 2014 using product approach. For monitoring purposes only; no targets required. GDP will be monitored post compact year 3.
	Goal	National Poverty Incidence	National Poverty Incidence (Percentage of households with consumption less than \$2.00 per day in Purchase Power Parity)	Percentage	(A) National/Intervention islands of high tourism investment potential (Sal/Boa Vista/Sao Vicente/Maio); (B) Urban/Rural; (C) Male/Female Head-of-Household	QUIBB 2007	Cape Verde National Statistical Institute (INE)	End-of-compact and post compact year 3	Source: QUIBB 2007 (Questionario Unificado de Indicadores Basicos de Bem-Estar); Cape Verde National Statistical Institute (INE). Refer to Table 7 (Incidencia de Pobreza em Cabo Verde (% por Conselho, 2007) on pp. 36 of "Analise de Situacao da Craianca e Adolescente em Cabo Verde, UNICEF, 2011, for disaggregation by municipality and urban/rural areas. The 2010 Population Census did not collect income data which does not make possible analyzing poverty incidence with data more current than 2007. 09Nov12 request from MCA-Cape Verde II to INE for a) male head-of household and b) female head-of-household disaggregated data by urban/rural areas on Sal island.
	Goal	Average household income in intervention island(s) of high tourism investment potential	Average household incomes in the islands of Sal, Boa Vista, Sao Vicente and Maio.	US Dollars	(A) Intervention islands of high tourism investment potential; (B) Urban/Rural; (C) Male/Female head-of-household	QUIBB 2007 (Provisional Baseline)	Cape Verde National Statistical Institute (INE)	End-of-compact and post compact year 3	Depending on availability of funding, INE plans to conduct a "Household Income and Expenditure Survey" (HIES) in 2013. A fully-funded 2013 "Inquerito Multi-objetivo Continuo" will provide an early indication of "average household expenditures" on intervention island(s) of high tourism investment potential (Sal, Sao Vicent, Boa Vista and Maio). ☹
	Outcome	Trend in bed-capacity	"Level step increase" above trend in total bed capacity developed on Sal, Boa Vista, Sao Vicente and Maio.	Number	Intervention island(s) of high tourism investment potential	"Inquerito de Movimentacao de Hospedes"	Cape Verde National Statistical Institute (INE)	Annual as of Q12 and post compact year 3	2010 baseline will be updated with 2012 actuals to be reported by INE by not later than May 2013. INE will collect data quarterly but MCA will report to MCC annually. ERR to be updated on an annual basis; modifications to be documented in Annex III of the M&E Plan. For monitoring purposes only; no targets required; to be monitored in post compact year 3. Note: Compact Annex III a) baseline is "2011-2015 trend: current projections estimate a capacity of approximately 16,200 beds, 3.8 million bed-nights in 2016" and b) end-of-compact target is "Greater than 5% level increase above baseline trends for both bed capacity and bed-nights". Footnote 20 of Compact Annex III: "Manner of calculation will be specified in the M&E Plan, in collaboration with an independent impact evaluation". Footnote 21 of Compact Annex III: "Data and targets are linked to the economic analysis and economic rate of return analysis for the project".
	Outcome	Trend in bed-nights	"Level percentage step increase" above trend in total bed-nights developed on St. Vicente, Sal, Boa Vista and Maio.	Percentage	Intervention island(s) of high tourism investment potential	"Inquerito de Movimentacao de Hospedes"	Cape Verde National Statistical Institute (INE)	Annual as of Q16 and post compact year 3	2010 baseline will be updated with 2012 actuals to be reported by INE by not later than May 2013. INE will collect data quarterly but MCA will report to MCC annually. ERR to be updated on an annual basis; modifications to be documented in Annex III of the M&E Plan. For monitoring purposes only; no targets required; to be monitored in post compact year 3. Note: Compact Annex III a) baseline is "2011-2015 trend: current projections estimate a capacity of approximately 16,200 beds, 3.8 million bed-nights in 2016" and b) end-of-compact target is "Greater than 5% level increase above baseline trends for both bed capacity and bed-nights". Footnote 20 of Compact Annex III: "Manner of calculation will be specified in the M&E Plan, in collaboration with an independent impact evaluation". Footnote 21 of Compact Annex III: "Data and targets are linked to the economic analysis and economic rate of return analysis for the project".
	Outcome	Average ZDTI and Non-ZDTI land property values per square meter	Average market value of square meter of ZDTI and non-ZDTI properties based on the official USD/EUV exchange rate recorded by the BCV.	US Dollars	(A) intervention island(s) of high tourism investment potential; (B) Urban/Rural (Commercial/Non Commercial); (C) Commercial (LMITS/ICCP)/Non Commercial (LMITS/ICCP); (D) MCA Land Appraisal Survey	(A) Intervention island(s) of high tourism investment potential by ZDTI (Cape Verde Investments Agency and SOTIBM for Boa Vista and Maio); (B) Urban/Rural (ICCP); (C) Commercial (LMITS/ICCP)/Non Commercial (LMITS/ICCP); (D) MCA Land Appraisal Survey	UCCP/ICCP	Baseline, end of compact and post compact year 3	Provisional baseline for ZDTI's to be established by data analysis of Sal municipal accounting system (SIM) effective 30Nov14. Cadastral acquisition to begin 30Sep14 (Q8). Market values per square meter for non-ZDTI urban commercial and non-commercial properties on islands of high tourism investment potential to be established based on MCA-M&E funded Land Appraisal Survey to be conducted by commercial bank, realtor and municipal office appraisers. For eventual evaluation, assure that we can see from the data other forms of stratification in addition to just the straight average (for example, are we seeing greater increases in property values at the low end of the market, or the high end of the market, etc)
	Outcome	Average annual investment by households in property improvements and assets	Average annual investment in improvements to property	US Dollars	(A) intervention island(s) of high tourism investment potential; (B) Urban/Rural; (C) Male/Female head-of-household	MCA-funded Household Surveys during life of Compact. MCC-funded surveys post-Compact.	MCA-CV	Baseline, end of compact and post compact year 3	Conduct MCA-funded baseline and end-of-compact survey and MCC-funded post compact follow-up survey in 2020 (evaluation). Usefulness of data or questionnaires/methodology from the Sal 60g dataset will be reviewed as part of design preparation for MCA-funded baseline study.
	Outcome	Tourism Value Added	Weighted average of US dollar estimated value of tourism-related expenses on taxes, international and local airfare, island transport, lodging, food, entertainment, etc.	US Dollars	Disaggregated by intervention island(s) of high tourism investment potential	Visitor Exit Survey "Conta Satellite de Turismo"	Cape Verde National Statistical Institute (INE)	Annual as of Q12 and post compact year 3	Baseline: Data from 2007 Business Census (III Recenseamento Empresarial; 2007) and 2009 Business Survey (Inquerito Annual as Empresas; 2009) are available for provisional baseline. Follow-up Data Collection: Expectation is that MCA will add a module to INE "Conta Satellite de Turismo" INE has indicated that it has collected 2012 Business Census (IV Censo Empresarial Annual 2012) and will disseminate results by May 2013. Formal sector tourism-related ancillary businesses will be classified according to the international classification of economic activities (Classificacao das Actividades Economicas de Cabo Verde: CAECV.Rev.1). Note: The 2010 Population Census did not collect income data which does not make possible analyzing poverty incidence with data more current than 2007. Consult with INE for development of disaggregation by male/female owned enterprise.
	Outcome	Number of ancillary tourism businesses in Sal	Number of service-related formal businesses developed for tourism, including for example; restaurants and bars, rental car services, currency exchange houses, tour agencies, souvenir stores, artisan shops; et. al.	Number	(A) Intervention island(s) of high tourism investment potential; (B) Formal Sector	"Inquerito Annual Empresarial"	Cape Verde National Statistical Institute (INE)	Annual as of Q12 and post compact year 3	Data from 2007 Business Census (III Recenseamento Empresarial; 2007) and 2009 Business Survey (Inquerito Annual as Empresas; 2009) are available for provisional baseline. INE has indicated that it has collected 2012 Business Census (IV Censo Empresarial Annual 2012) and will disseminate results by May 2013. Formal sector tourism-related ancillary businesses will be classified according to the international classification of economic activities (Classificacao das Actividades Economicas de Cabo Verde: CAECV.Rev.1). Note: The 2010 Population Census did not collect income data which does not make possible analyzing poverty incidence with data more current than 2007. Consult with INE for development of disaggregation by male/female head-of-household.
	Outcome	Foreign Direct Investment	A foreign direct investment is an individual, an incorporated or unincorporated public or private enterprise, a government, a group of related individuals, or a group of related incorporated and/or unincorporated enterprises which has a direct long-term investment enterprise (i.e., a subsidiary, associate or branch) operating in Cape Verde other than the country or countries of residence of the foreign direct investor or investors.	US Dollars	(A) intervention island(s) of high tourism investment potential; (B) Tourism Sector; (C) Construction Sector	Balance of Payments Statistics (Estatisticas da Balanca de Pagamentos)	Central Bank of Cape Verde (BCV)	End-of-compact and post compact year 3	Official Central Bank of Cape Verde (BCV) definition.
	Outcome	Domestic Investment	Annual domestic investment in intervention island(s) of high tourism investment potential	US Dollars	(A) intervention island(s) of high tourism investment potential; (B) Tourism Sector; (C) Construction Sector	National Accounts	Cape Verde National Statistical Institute (INE)	End-of-compact and post compact year 3	09Nov12 request from MCA-Cape Verde II to INE for current US dollar value of domestic investment at the a) national level, b) disaggregated by islands of high tourism investment potential (disaggregation by Sal, Boa Vista, Sao Vicente and Maio will be available as of 2014), and c) by tourism and construction sectors. Clarify GOCV's definition of "domestic".

	Outcome	Increased employment in tourism sector	Persons employed in the tourism sector in intervention island(s) of high tourism investment potential.	Number	(A) Male/Female; (B) Local/Foreign; (C) Age	2012 Business Census (IV Censo Empresarial Annual 2012)	Cape Verde National Statistical Institute (INE)	End-of-compact and post compact year 3	Data from 2007 Business Census (III Recenseamento Empresarial; 2007) and 2009 Business Survey (Inquerito Anual as Empresas; 2009) are available for provisional baseline. INE has indicated that it has collected 2012 Business Census (IV Censo Empresarial Annual 2012) and will disseminate results by May 2013. ☐
	Outcome	Increased employment in construction sector	Persons employed in the construction sector in intervention island(s) of high tourism investment potential.	Number	(A) Male/Female; (B) Local/Foreign; (C) Age	2012 Business Census (IV Censo Empresarial Annual 2012)	Cape Verde National Statistical Institute (INE)	End-of-compact and post compact year 3	Data from 2007 Business Census (III Recenseamento Empresarial; 2007) and 2009 Business Survey (Inquerito Anual as Empresas; 2009) are available for provisional baseline. INE has indicated that it has collected 2012 Business Census (IV Censo Empresarial Annual 2012) and will disseminate results by May 2013. ☐
L-7	Outcome	Percentage change in time for property transactions	The average percentage change in number of days for an individual or company to conduct a property transaction within the formal system.	Percentage	(A) First-time Registration/Transfers; (B) Male/Female head-of-household	Land Management Information and Transaction System (LMITS)	UCCP/ICCP	Semi-annually as of Q12 and post compact year 3	MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 13): "This indicator is designed to refer to duration of time in calendar days and not time spent on a task. It includes all informal and formal steps to register a property for the first time or transfer a property between owners or users. Transactions can include first time registration (for those parcels not directly registered by the project) or property transfers through sales. Time is tracked for the same transaction per country as defined in the M&E Plan, depending on the specific compact activities. The most relevant transaction should be selected although countries can choose to track both first time registration and transfers. Time reductions are usually the result of legal, regulatory, or procedural improvements, introduction of new or modified information management systems, or introduction of new facilities or equipment. The M&E Plan should specify which transaction(s) on which the indicator will be based and the reason it is the most appropriate. The data should be collected by administrative data or survey if available or feasible. If from survey data, the question and methods should be informed by other MCA surveys. Indicator inputs should be used to track the actual number of days in order to calculate the percentage change." Footnote 9 of said guidance states: "Registry is the final step, but cost should incorporate all steps necessary for property registration or transfer, including related fees of the notary, cadastral, registry and other relevant offices". Footnote 10 of said guidance states: "Other transfers such as inheritances and gifts can be tracked by the M&E plan but should not be included as part of this common indicator". Footnote 23 of Compact Annex III: "Targets reflect linkages to the economic rate of return analysis. This analysis assumes the target will be achieved by end of Compact year 3". Commercial/Non-commercial disaggregation will not be used in Cape Verde; distinction not required in the land transaction process, thus information not available. Assure clear link to value used in ERR Consult Conservatória (Registro Predial) for establishing baselines; estimated date for establishing baseline is 30Nov14 (Q8). In final agreed measurement approach, assure the eis clarify about how property registrations under the project will be distinguished from (which are likely to move fast due to the heavy subsidy/contractor support of the project) overall reduction in time and cost over the long term because of the improved procedures, better information, and more efficient operations of the institution as a result of Activity 1. The latter is most important.
L-8	Outcome	Percentage change in cost for property transactions	The average percentage change in US Dollars of out of pocket cost for an individual or company to conduct a property transaction within the formal system.	Percentage	First-time Registration/Transfers	Land Management Information and Transaction System (LMITS) (Conservatória - Registro Predial for baselines)	UCCP/ICCP	Semi-annually as of Q12 and post compact year 3	MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 13-14): "This includes formal costs associated with all steps to register a property for the first time or transfer a property between owners or users. Transactions include first time registration (for those parcels not directly registered by the project) or property transfers through sales. Cost is tracked for the same transaction per country as defined in the M&E plan, depending on the specific compact activities. The most relevant transaction should be selected although countries can choose to track both first time registration and transfers. Cost reductions are usually the result of legal, regulatory, or procedural improvements, introduction of new or modified information management systems, or introduction of new facilities or equipment. The M&E Plan should specify which transaction(s) on which the indicator will be based and the reason it is the most appropriate. Formal costs should be collected by administrative data or survey if available or feasible. If from survey data, the question and methods should be informed by other MCA surveys. For inter-compact consistency, this cost should not include registration fees." Footnote 23 of Compact Annex III: "Targets reflect linkages to the economic rate of return analysis. This analysis assumes the target will be achieved by end of Compact year 3". Commercial/Non-commercial disaggregation will not be used in Cape Verde; distinction not required in the land transaction process, thus information not available. Assure clear link to value used in ERR Consult Conservatória (Registro Predial) for establishing baselines; estimated date for establishing baseline is 30Nov14 (Q8). In final agreed measurement approach, assure the eis clarify about how property registrations under the project will be distinguished from (which are likely to move fast due to the heavy subsidy/contractor support of the project) overall reduction in time and cost over the long term because of the improved procedures, better information, and more efficient operations of the institution as a result of Activity 1. The latter is most important.
	Outcome	Independent assessment of percentage change in time for transfers of commercial property already registered	Time is recorded in calendar days. The measure captures the median duration that property lawyers, notaries or registry officials indicate is necessary to complete a procedure. It is assumed that the minimum time required for each procedure is 1 day. Although procedures may take place simultaneously, they cannot start on the same day. It is assumed that the buyer does not waste time and commits to completing each remaining procedure without delay. If a procedure can be accelerated for an additional cost, the fastest legal procedure available and used by the majority of property owners is chosen. If procedures can be undertaken simultaneously, it is assumed that they are. It is assumed that the parties involved are aware of all requirements and their sequence from the beginning. Time spent on gathering information is not considered.	Percentage	None	Annual Doing Business Report	World Bank	Annual as of Q12 and post compact year 3	
	Outcome	Frequency of property transactions	Number of first time registrations and transfers.	Number	First-time Registration/Transfers	Land Management Information and Transaction System (LMITS)	UCCP/ICCP	Semi-annually as of Q10 and post compact year 3	Consult "Conservatória" (Registro Predial) for establishing baselines; estimated date for establishing baseline is 30Nov14 (Q8). For monitoring purposes only; no targets required. In final agreed measurement approach, distinguish among property registrations under the project (which are likely to move fast due to the heavy subsidy/contractor support of the project) from those that may have been completed post-Compact due to the legal changes, greater incentives for registration, and more efficient operations of the MJ registration system.
LAND MANAGEMENT FOR INVESTMENT PROJECT									
Activity 1. Legal and Institutional Foundations Activity									
1.1 Legal, Institutional, and Procedural Foundations Sub-activity									
	Outcome	Operating cost coverage. Share of operating costs covered by transaction revenues	Total annual operational revenues (service fees, budget allocations) of integrated Land Management Information and Transaction System (LMITS) divided by total annual operating costs.	Percentage	None	SIGOF/SIM	UCCP/ICCP	Annual as of Q12 and post compact year 3	Refer to findings, conclusions and recommendations of the "Technical Assistance for Revenue Modeling and Financial Sustainability" consulting contract. This requires coordination and agreement among the entities (MJ, MAHOT, Municipalities) to agree to the tracking approach and identify the total operating costs attributable to the system so that the results are useful. For monitoring purposes only; no targets required.
L-1	Output	Legal and regulatory reforms adopted	The number of specific pieces of legislation or implementing regulations adopted by the compact country and attributable to compact support.	Number	(A) Laws (Approved by Parliament); (B) Legislative Decree (Approved by Council of Ministers Authorized by Parliament); (C) Decree-Law (Approved by Council of Ministers; if approved by Parliament the Decree-Law converts to law); (D) Administrative Regulations (Council of Ministers)	Publication in The "Boletim Oficial" of the Imprensa Nacional de Cabo Verde (http://kiosk.incv.cv)	Ministry of Environment, Housing and Territorial Planning	Quarterly as of Q1	Condition Precedent as per Compact Annex I-10: "Any new or amended laws or regulatory texts (regulations, ordinances and directives) determined to be necessary under the Foundations Activity, shall have been adopted by the Parliament or the relevant Government ministry and be in full force and effect". MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 10): "To date, adopted reforms have focused on amendments to existing property and land laws, and on new land tenure laws and implementing regulations, including streamlining procedures and recognition of land rights for women, communities and informal settlements. The indicator may include reforms at either national or lower levels. Each new or revised law should be counted as one unit. Multiple amendments to the same law should not be counted separately." No targets required; for monitoring purposes only.
L-2	Output	Land administration offices established or upgraded	The number of land administration and service offices or other related facilities that the project physically establishes or upgrades. Note: The office is considered established or upgraded after the provision and installation of equipment, installation of the fully functional land information and transaction management system, and the mobilization of new staff as required to be functional.	Number	(A) Institution (MJ, NOSI; MAHOT; Municipalities)	Quarterly completion reports	MCA-Land Project Director	Semi-annual as of Q6	MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 10): "Guidance: This includes construction or rehabilitation of offices and the hiring of new staff to support the office or the installation of equipment or software, including IT equipment, office equipment, aerial or satellite imagery, software and geodetic equipment. The office is considered established or upgraded after construction, the provision and installation of equipment and the mobilization of new staff as required to be functional. The M&E plan should indicate at what level or point of completion across all sub-activities the office establishment or upgrade is considered complete."
L-3	Output	Stakeholders receiving formal on-the-job training or technical assistance regarding roles, responsibilities or new technologies	The number of officials of national and municipal government institutions or officials of non-governmental or community development organizations receiving formal on-the-job training or technical assistance on new technologies, legal and procedural matters, and rights and boundary information gathering techniques, conflict resolution, or environmental/social screening.	Number	(A) Male/Female; (B) Institution (MAHOT/MJ/NOSI/Municipalities/NGOs and CBOs); (C) Training Areas (TBD Q2)	Training Service Provider Quarterly Reports and NOSI Quarterly Deployment Reports	Training Service Provider and NOSI	Quarterly as of Q6	MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 11): "Sensitization and other public outreach events do not count as training. The curricula, length, method and intensity of training programs vary from compact to compact and may include workshops, seminars, study trips, or courses. Each country should define clearly what it means to "train" a stakeholder taking into consideration the desired result of training. This should be documented in the indicator definition table in the M&E Plan. An individual who receives training or technical assistance multiple times should be counted only once, as one individual trained." Clearly define what constitutes "trained"; consider the desired result of training or technical assistance. Quarterly training targets, define individualized curricula, specify course durations (hours) of Activity 1 and 2 training curricula based on "satisfactory completion of required skill set to perform improved function in support of project objectives" to be disaggregated by institution, area of technical competency and male/female.
	Process	Adoption of "Operations Manual" for the Rights and Boundaries Activity fieldwork in full force and effect	Operations Manual containing all procedures related to the rights and boundary activity, including information-gathering, rights adjudication and registration; environmental, Social and Gender screening tools; dispute resolution approach; resettlement policy framework satisfactory to MCC and adopted by MAHOT and MJ.	Date (Q9: 28Feb15)	None	Official joint ordinance of MJ and MAHOT	Ministry of Justice and Ministry of Environment, Housing and Territorial Management	One time event	Condition Precedent as per Compact Annex I-10: "An operations manual for the Rights and Boundaries Activity fieldwork satisfactory to MCC, including environmental and social safeguards and provisions, shall have been completed and adopted by the Ministry of Justice and the Ministry of Environment, Housing and Territorial Management through such instrument as the Parties agree is required to give full force and effect to such manual".

	Process	Data access and manipulation protocols for land information management system approved by appropriate GoCV authorities and operational	System integration of land-related information databases (Sistema Informacao Municipal (SIM3), Sistema Informacao Territorial (SIT) and Sistema dos Registos, Notariado e Identificao (RNI) and Sistema Cadastro Predial (SCP) completed with data access and manipulation protocols approved by collaborating institutions and operational.	Date (Q9:28Feb15)	None	Publication in The "Boletim Oficial" of the Imprensa Nacional de Cabo Verde (http://kiosk.incv.cv)	Ministry of Justice and Ministry of Environment, Housing and Territorial Management	One time event	
	Process	"Registry and Notary Procedures Manual" approved by appropriate GoCV authorities	The Registry and Notary Procedures Manual will provide a guide for registrar and notary processes and procedures resulting in national standardization.	Date (Q6:31May14)	None	Publication in The "Boletim Oficial" of the Imprensa Nacional de Cabo Verde (http://kiosk.incv.cv)	Ministry of Justice	One time event	A request for proposals for conducting a "Registry and Notary Procedures Manual Development" is expected to be launched October 2013.
	Process	Legal text regarding revised fee structure approved by appropriate GoCV authorities	Legal text approving cost and fee structure based on various types of land administration transactions (e.g., fees at the RNI, stamp duties, survey costs, etc.), with a special focus on social equity.	Date (Q7:30Sept14)	None	Publication in The "Boletim Oficial" of the Imprensa Nacional de Cabo Verde (http://kiosk.incv.cv)	Ministry of Justice and Ministry of Environment, Housing and Territorial Management	One time event	A request for proposal for conducting a "Land Transactions Cost and Fee Study" is expected to be launched September 2013. This item is "if determined necessary". The study comes first, the study will determine if any legal or regulatory changes are needed.
Activity 2. Rights and Boundaries Activity									
	Outcome	Percent of targeted surface area or territory incorporated into the Land Management Information and Transaction System (LMITS) ☐	Percent of targeted surface area of island(s) of high tourism investment potential that is incorporated into the land management information and transaction system including the total surface area of parcels where a) boundaries are mapped, b) existing land rights have been confirmed (or a new right adjudicated) and c) said parcel is legally recognized in the "registro predial". Surface area classified as "cadastro diferido" (unresolved parcels) will also be disaggregated and reported.	Percentage	(A) Intervention island(s) of high tourism investment potential; (B) Legally Recognized Parcels /Unresolved and Disputed Parcels; (C) Urban/Rural	Land Management Information and Transaction System (LMITS)	UCCP/ICCP	Quarterly as of Q9	
L-6	Output	Households in intervention island(s) of high tourism investment potential with land rights formalized through project	The number of households receiving formal recognition of ownership and/or use rights through certificates, titles, leases, or other recorded documentation by government institutions or traditional authorities at national or local levels. Note: Cape Verde excludes traditional authorities, certificates and leases or other recorded documentation.	Number	(A) Intervention island(s) of high tourism investment potential; (B) Urban/Rural; (C) Male only/Female only/split male and female	Land Management Information and Transaction System (LMITS)	UCCP/ICCP	Quarterly as of Q10 and post compact year 3	MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 12): "This can include secondary rights. The formalization process varies by project but can include the recordation or registration of a customary or informal right, as well as the regularization or adjudication of rights. Include only rights formalized directly by the project." MCC Common Indicator Guidance Footnote 8: "USG Feed the Future (FFI) Indicator 4.5.1-16". No targets required; for monitoring purposes only.
L-5	Output	Parcels corrected or incorporated in land system	The number of parcels with relevant parcel information corrected or newly incorporated into an official land information system (whether a system for the property registry, cadastre or an integrated. (Cape Verde: A "predio" (parcel) corrected or incorporated in the land system (LMITS) is reported when a) its boundaries are mapped, b) existing land rights have been confirmed (or a new right adjudicated) and c) said parcel is legally recognized in the "registro predial".)	Parcels	(A) Intervention island(s) of high tourism investment potential; (B) Urban/Rural	Land Management Information and Transaction System (LMITS)	UCCP/ICCP	Quarterly as of Q10 and post compact year 3; annual targets for compact years 3 and 4 only	MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 12): "This may include parcel rights newly digitized, parcels with boundary revisions or ownership rights corrected, and parcels with newly formalized rights. Include only parcels corrected or incorporated directly by the project." Targets to be established following review of budget assumptions; targets for indicative/reference purposes only.
L-4	Output	Conflicts successfully mediated	The number of disputed land and property rights cases that have been resolved by local authorities, contractors, mediators or courts with compact support.	Number	None	Contractor On-site Resolution Report and Land Management Information and Transaction System (LMITS)	Fieldwork Contractor and ICCP	Quarterly as of Q12 and post compact year 3	MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 11): "This may include resolution of property border disputes, disputes over existing ownership, and disputes over the right to own, inherit, use or access the property or land-based resource." Footnote 7 of said guidance states: "If no activities are included in the compact to reduce conflicts, this may be tracked without targets." No targets required; for monitoring purposes only. No disaggregation required by MCC Common Indicator Guidance; proposed disaggregations relevant to MCA-CV II project management in particular for training and informing government policy. Verify LMITS data requirements with NOSI.
	Process	Field test "Fieldwork Operations Manual" and methodology completed on Sal	Field test of Operations Manual and overall methodology completed on Sal island and recommendations for modifications based on lessons learned documented and incorporated into a revised, final "Fieldwork Operations Manual". Fieldwork Operations Manual and other procedures to be tested will include (but may not be limited to) a) procedures for gathering and systematizing field information; b) legal and procedural mechanisms for property rights adjudication and registration, c) dispute resolution approaches; c) environment, social, and gender screening tools. ☐	Date (Q8:30Nov14)	None	Technical Advisory Services Contract Deliverable	MCA-CV II	One time event	Testing will take place after the base period of the "Field Operations Manual" consulting services contract is completed. Refer to deliverables of the "Preparatory Services: Legal and Procedural Study and Recommendations; Dispute Resolution and Resettlement Policy Framework; Environmental, Social and Gender Screening Tools; production of Fieldwork Operations Manual" consulting services contract. Refer to findings, conclusions and recommendations of the "Preparatory Services: Legal and Procedural Study and Recommendations; Dispute Resolution and Resettlement Policy Framework; Environmental, Social and Gender Screening Tools; production of Fieldwork Operations Manual" consulting services contract. Condition Precedent as per Annex I of Compact Agreement: "Any new or amended laws or regulatory texts (regulations, ordinances and directives) determined to be necessary under the Foundations Activity, shall have been adopted by the Parliament or the relevant Government ministry and be in full force and effect."
	Process	Roll-out to other islands of high tourist investment potential	Prior to implementing the Rights and Boundaries Activity on additional islands, the Government shall have completed the activity on Sal island, to a degree satisfactory to MCC, and any modifications to the implementation approach for remaining islands shall have been agreed between MCC and MCA-Cape Verde II.	Date (Q14: 31May16)	None	MCC approval that Condition Precedent has been met as submitted by MCA-CV II in Quarterly Disbursement Request	MCA-CV II and MCC	One time event	Starting Compact Year 3 (Q9). Condition Precedent as per Compact Annex I-1: "Prior to disbursement of MCC Funding to implement the Activity on additional islands, the Government shall have completed the activity on Sal island, to a degree satisfactory to MCC, and any modifications to the implementation approach for remaining islands agreed shall have been agreed among MCC, the Government and MCA-Cape Verde II".

Annex II:

Indicator Baselines and Targets

Cape Verde II Water, Sanitation and Hygiene Project
Annex II: Table of Indicator Baselines and Targets

Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline (year)	Year 1	Year 2	Year 3	Year 4	Year 5	End of Compact Target	Comment	
					2013	2014	2015	2016	2017			
PROGRAM GOAL												
Goal	National GDP per capita	US Dollars	Level	3,798 (2011)						Monitoring Only	Monitoring Only	GDP (current US\$) = 1.901 billion (2011) with population of 500,600 (2011); World Bank Group uses product approach for estimating GDP. Source: The World Bank Group (http://data.worldbank.org/country/cape-verde). 09Nov12 MCA-CPVII requested of INE the latest official reported data and date of systematic annual publications. Consult with INE to identify latest official reported data and date of systematic annual publications. INE uses product approach for estimating GDP. INE anticipates estimating GDP by island for FY13 in 2014 using product approach. For monitoring purposes only; no targets required. To be monitored in post compact year 3.
Goal	National Poverty Incidence	Percentage	Level	26.6 (2007)						Monitoring Only	Monitoring Only	Goal level performance indicator to be monitored in Post-Compact M&E Plan; i.e., 2018-2020. Source: QUIBB 2007 (Questionario Unificado de Indicadores Basicos de Bem-Estar), Cape Verde National Statistical Institute (INE). Refer to Table 7 (Incidenca de Pobreza em Cabo Verde (%) por Concelho, 2007) on pp. 36 of "Análise de Situação da Craianca e Adolescente em Cabo Verde, UNICEF, 2011, for disaggregation by municipality and urban/rural areas. The 2010 Population Census did not collect income data which does not make possible analyzing poverty incidence with data more current than 2007. 09Nov12 request from MCA-Cape Verde II to INE for a) male head-of household and b) female head-of-household disaggregated data by urban/rural areas on Sal Island.

Water, Sanitation and Hygiene Project

Goal	Water and Sanitation Policy, Regulatory and Institutional Sustainability Index	Percentage	Level	TBD Q4	TBD	The World Bank publication titled "Ebbing Water, Surging Deficits: Urban Water Supply in Sub-Saharan Africa", is a product of the Africa Infrastructure Country Diagnostic (AICD). It provides a comprehensive assessment of the state of physical infrastructure of 24 Sub-Saharan African country sectors, including, energy, information and communication technologies, irrigation, transport, and water and sanitation. The AICD project was commissioned by the Infrastructure Consortium for Africa after the 2005 G-8 Summit at Gleneagles which recognized the importance of scaling up donor finance for infrastructure in support of Africa's development. In combination with select financial performance-related indicators (value of implicit subsidy reduction, average recovery price of water for corporatized utilities and operating cost coverage), the AICD index provides a useful methodological approach for assessing sustained improvements in the water and sanitation legal, regulatory and institutional environments and serves, thereby, as a comprehensive performance indicator for assessing the long-term sustainable performance of the MCC-funded water and sanitation reforms. The AICD assessment of the "state of the institutions" in the water and sanitation sector is based on the construct of four indices; i.e., Urban Water Supply Reform Index, Urban Water Reform Index, Regulation Index and State Owned Enterprise (SOE) Governance Index. Said indices are further divided into a total of 18 sub-indices composed of 90 "yes" or "no" answered questions. Indices and disaggregated sub-indices are listed below for quick reference. Urban Water Supply Reform Index is composed of 4 sub-indices with 18 questions related to legislation (2), restructuring (4), policy oversight (5), and private sector involvement (7). Urban Water Reform Index is composed of 4 sub-indices with 18 questions related to legislation (2), restructuring (4), policy oversight (5), and private sector involvement (7). Regulation Index is composed of 4 sub-indices with 18 questions related to autonomy (8), transparency (13), accountability (3), and tools (4). State Owned Enterprise (SOE) Governance Index is composed of 6 sub-indices with 36 questions related to Ownership & Shareholder Quality (5) and Managerial and Board Autonomy (8), Accounting and Disclosure and Performance Monitoring (12), Outsourcing (4), Labor Market Discipline (3), and Capital Market Discipline (4). For a detailed discussion of the methodology and results of 24 Sub-Saharan country analyses, refer to the World Bank publication titled "Ebbing Water, Surging Deficits: Urban Water Supply in Sub-Saharan Africa", by Sudeshna Banerjee, Heather Skilling, Vivien Foster, Cecilia Briceño-Garmendia, Elvira Morella, and Tarik Chfadi, Africa Infrastructure Country Diagnosis, Background Paper 12 (Phase I), World Bank, June 200, pp. 101.						
Outcome	Ratio of Productive National Government Spending	Ratio	Level	TBD (Provisional 2011)						TBD	TBD	Linked to the ERR Analysis. According to the findings of a World Bank research publication titled "Assessing the Impact of Public Spending on Growth: An Empirical Analysis for Seven Fast Growing Countries", by Blanca Moreno-Dodson, a) the classification of expenditures that distinguishes "productive" from "unproductive" spending is based on an a priori judgment regarding expected impact on economic growth. This categorization of expenditures is consistent with the theory behind endogenous growth models which contends that only "productive" public spending should be expected to have a robust relationship with GDP per capita growth, b) reallocating 1% of unproductive spending towards the productive spending categories would lead to a 0.35 % increase in GDP per capita growth, everything else being equal. With regard to the WASH Project, unproductive public spending refers to the amount of public finance lost over time in the form of implicit subsidies due to inefficiently operated "non-corporatized" municipal water and sanitation utilities. The project economic rate of return model contends that the establishment of multiple municipal water and sanitation utilities operating according to "corporatized" principles will a) reduce the over-reliance of municipal utilities on federal subsidies to cover the true costs of operations and, thereby, b) enable the central government to increase investments in productive public spending. Unproductive public spending includes "transferências não orçamentadas para cobrir ineficiências do sistema de distribuição de água".

Activity 1. National Institutional and Regulatory Reform Activity

1.1 Improve Allocation of Resources, Planning, and Coordination Sub-activity

1.2 Support Transparent and Fair Tariff Setting Sub-activity

1.3 Improve Water Quality Standards and Environmental Oversight Sub-activity

Outcome	Value of implicit subsidy reduction	USD	Level	TBD (Q4)	Monitoring only	Annex III-2. Baseline to be obtained from "Economic Viability Study and Comprehensive Tariff Study". TOR/RFP19Jul12/Bid (8) Deadline 24Aug12/Anticipated Contract Award 24Nov12/Anticipated Approval of Final Report for Economic Viability Study (31May13/30Jun13) and Comprehensive Tariff Study (30Nov13/30Dec13) as per WASH 20Aug12 work plan. "Indicator and definition to be determined based on further analysis of best available data sources." (Annex III Footnote 2) Data is for monitoring purposes only; no targets required. Baseline to be obtained from "Economic Viability Study" (30Jun13) and "Comprehensive Tariff Study (30Dec13) as per WASH 20Aug12 work plan.					
Outcome	Service Coverage by Corporatized Utilities	Percentage	Level	0 (2012)		100	100	100	100	100	"Electra is the only company regulated by ARE, and currently operates in Praia, Sao Vicente, Boa Vista and Sal. The baseline data will be sourced from the 2010 Census or ARE databases, and shall be included in the M&E Plan." (Compact Annex III Footnote 5) "Target is based on Santiago population as a percent of national population." (Compact Annex III Footnote 6) IBNET Indicator 1.1 Water Coverage: Population with easy access to water services (either with direct service connection or within reach of a public water point)/total population under utility's nominal responsibility, expressed in percentage. IBNET Indicator 2.1 Sewerage Coverage: Population with sewerage services (direct service connection)/total population under utility's notional responsibility, expressed in percentage. IBNET Discussion: Coverage is a key development indicator. All coverage indicators are impacted by whether the data on populations and household sizes is up to date and accurate. The need to estimate populations served by public water points may affect the confidence that can be placed in the water coverage measure. In the WHO Global Water Supply and Sanitation Assessment 2000, reasonable access was defined as 'the availability of at least 20 litres per person per day from a source within one kilometer of the user's dwelling'. However, we recommend that the population within 250m be used as a rule of thumb. Key features of "corporatized utility" adopted from World Bank Public-Private Partnership in Infrastructure Resource Center for Contracts, Laws and Regulation (PPPIRC); refer to www.worldbank.org/ppp .
Outcome	Satisfactory progress against MCC approved work plan on legal and regulatory reforms (and training of ANAS, ARE, Santiago MMUs, DGA and core WASH partner institutions)	TBD	Level		TBD Q4	TBD	TBD	TBD	TBD	TBD	Annex III-5. Assessment mechanism and strategy to monitor and evaluate the quality of reform will be outlined in the M&E Plan, and shall be fully developed by year 1 of Compact implementation. The assessment mechanisms will include a plan detailing reform milestones based on Compact conditions precedent, IGF set-up criteria, and the results of studies performed prior to entry into force, including national legal reform and new institutional environment for WASH sector studies. (Annex III Footnote 7)

Outcome	Satisfactory technical and financial performance of key public sector institutions responsible for the formulation, implementation and regulation of the water and sanitation policies. ▯	Percentage	Level			60	60	80	100	100	"Indicators of core competencies of National Agency for Water and Sanitation (ANAS) and Economic Regulatory Agency (ARE)", Compact Annex III pp. 4 Annex III-6. TBD based on Institutional Design Study and TA contract. "Core competency indicators will be determined through a national institutional environment study to be financed by the Compact prior to entry into force. It is expected that the core competencies arising from this design study shall be codified in the appropriate legislative reforms." Compact Annex III Footnote 8 TBD based on Institutional Design Study and TA contract. Core competencies will be identified in 1) design of "New WASH National Institutional Environment" Assessment (31Oct12) as per 20Aug12 WASH work plan. "The WSS is a group of complementary institutions working together to achieve one policy objective and a sound sector in Cape Verde should be based on three core elements: 1) a sector policy and strategy, 2) a sector budget and its medium term expenditure perspective and 3) a sector coordination framework through which the sector strategy, action plans and budget are reviewed and updated." Public Expenditure Management Financial Assessment Report (PEMFAR) pp.16 Rating based on five possible grades ranging from "very unsatisfactory" (20%), "somewhat unsatisfactory" (40%), "neither satisfactory nor unsatisfactory" (60%), "somewhat satisfactory" (80%), and "very satisfactory" (100%) as determined by the average assessment of a panel of experts.
Output	People receiving formal on-the-job training or technical assistance regarding roles, responsibilities or new technologies.	Number	Cumulative	0 (2012)		TBD	TBD	TBD	TBD	TBD	MCC Common Indicator Guidance (May 2012, Version 1.0, pp.22): "Each country should define clearly what it means to "train" a person taking into consideration the desired result of training or technical assistance. This should be documented in the indicator definition table in the M&E Plan. An individual who receives training or technical assistance multiple times should be counted only once, as one individual trained." TVET contractor to develop comprehensive National Training Plan consistent with findings, conclusions and recommendations of approved "Design of New WASH National Institutional Environment".
Output	People trained in hygiene and sanitary best practices	Number	Cumulative	0 (2012)		TBD	TBD	TBD	TBD	TBD	MCC Common Indicator Guidance (May 2012, Version 1.0, pp.22): "Each country should define clearly what it means to "train" a person taking into consideration the desired result of training or technical assistance. This should be documented in the indicator definition table in the M&E Plan. An individual who receives training or technical assistance multiple times should be counted only once, as one individual trained." Reference: "Towards Better Programming; A Manual on Hygiene Promotion", United Nations Children's Fund (UNICEF) and the London School of Hygiene and Tropical Medicine (LSHTM), Water, Environment and Sanitation Technical Guidelines Series No. 6, 1999. Clearly define what constitutes "trained"; consider the desired result of training. Define curriculums and specify course durations (hours). Semi-annual following initiation of IEC training activities.
Process	Water quality standards updated	Date	Level			Q5 (29Feb14)				Q5 (29Feb14)	As per 20Aug12 WASH work plan. Water quality standards updated, legally decreed and published, including re-use and treated water. Water quality refers to the chemical, physical and biological characteristics of water; a measure of the condition of water relative to the requirements of one or more biotic species and/or to any human need or purpose. The most common standards used to assess water quality relate to health of ecosystems, safety of human contact and drinking water.
Process	ANAS fully functional	Date	Date				Q8 (30Nov14)			Q8 (30Nov14)	This milestone triggers the reduction in technical assistance (TA) support to national institutions. Baseline derived from 20Aug12 WASH work plan. Establish objectively verifiable evaluation criteria for reporting "fully functional". It is assumed that ANAS will be fully functional following the second stage implementation of the national institutional technical assistance. Relevant changes in legislation are approved; administrative rules are in place; internal operating regulations are established; ninety percent (90%) of key management staff are hired in accordance with approved organizational structure; all WASH sector INGRH-relevant functional roles and responsibilities transferred; ANAS executing approved workplan and budget.
Process	CNAS fully functional	Date	Date				Q8 (30Nov14)			Q8 (30Nov14)	Members appointed; meetings convened; CNAS performing its designated function of providing policy guidance and implementation oversight of ANAS activities in accordance with CNAS' published bylaws.
Process	CNAS and ANAS created	Date	Date		(29 Nov12)					(29 Nov12)	Conditions Precedent. 1-4 must take place prior to signing Technical Assistance Contract. 1) Anticipated Approval of Final Report (31Oct12) for the design of the "New WASH National Institutional Environment", 2) Anticipated Approval of Final Report "Comprehensive Legal and Institutional Redrafting of Legislation" and WASH Sector National Regulatory Reform (Legal).
Process	CNAS and ANAS operational	Date	Date		Q4 (30Nov13)					Q4 (30Nov13)	Approval of "Strategic National Master Plan and Strategic Environmental and Social Assessment" and adopted by CNAS, 2) National Institutional Technical Assistance contract awarded, 3) IEC Strategy approved, 4) Social and Gender Mainstreaming Strategy approved by CNAS and being implemented by ANAS, 5) 60% of the staff are appointed and in position, 6) Office setup and equipped, 7) Chairman and CEO (or equivalent) appointed and 8) Departmental manages appointed in line with Institutional Environment organogram and associated Human Resource Plan.
Process	Strategic National Master Plan and strategic environmental and social assessment approved by appropriate authorities	Date	Level		18-Dec-12					18-Dec-12	Condition Precedent: "As set forth more specifically in the Program Implementation Agreement, MCC Funding for the IGF will be made available incrementally; (1) the operations manual for the IGF shall have been approved by MCA-Cape Verde II and MCC; and (2) ANAS shall have been created and CNAS shall have adopted the Master Plan". (Annex I-7) . Baseline from 20Aug12 WASH work plan.

Activity 2. Utility Reform Activity

2.1 Encourage Corporatization of Utilities Sub-activity

2.2 Strengthen Management and Planning of Aguas de Santiago Sub-activity

2.3 Reduce commercial losses in Santiago Sub-activity

Outcome	Incidence of diarrhea Santiago	Percentage	Level	27,2 (2010 provisional)						Monitoring only	Monitoring only	WS-16. MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 27-28): "This information is typically sourced from a household survey. The exact question(s), sampling frequencies and methodology used to collect data for this indicator should be documented in the indicator definition table of the M&E Plan. To the extent possible, Compacts should use the WHO definition for diarrhea: the passage of 3 or more loose or liquid stools per day, or more frequently than is normal for the individual. For more information on diarrhea measurement and recall periods, see the 2011 publication on diarrhea measurement in the International Journal of Epidemiology. Although a 7 day recall period is recommended, Living Standard Measurement Surveys (LSMS) and the current Phase 6 Demographic Health Surveys (DHS) measure the percentage of children under the age of five who have had diarrhea in the two weeks preceding the survey, as these are the most vulnerable populations.
Outcome	Time spent fetching water from home in last week	Hours per week	Level	02 - 03 (Provisional 2010)						Monitoring only	Monitoring only	The 2011 KAP survey will provide a final "time spent fetching water" baseline value. Provisional Baseline Data Source: "Preparatory Survey Report on the Water Supply System Development Project in The Republic of Cape Verde", by Japan International Cooperation Agency, Toyo Engineering Corporation, NGEROSE Corporation, UNICO International Corporation, January 2011, pp.532, Chapter 4: Project Feasibility Study, pp.66. Average working time (gathering water activities) is reported as: 2 - 3hs/day (=20liters/time)*(5 - 8) times * (20 minutes/time) assuming consumption of 20-30 liters per day per person.
Outcome	Access to improved water supply	Percentage	Date	86 (2011)				TBD	TBD	TBD	TBD	WS-12 Annex III. 14. MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 25): "The M&E Plan indicator definition table should specify the definition of "improved" being used under the project. Depending on the area served, a census count or household survey could be conducted to identify the percentage of households with access to improved water supply and its specific source. The baseline for this indicator would be the percentage of households with improved water supply at the beginning of the project. The change in this indicator may not be attributed solely to MCC since many other factors could influence household water supply. Assumptions and caveats required for statements regarding the project's impact on access to improved water supply should be documented in the indicator definition table of the M&E Plan. The inputs (i.e. numerator and denominator) for this indicator must be included in the ITT indicator input spreadsheet(s)."

Outcome	Access to improved sanitation	Percentage	Level	60 (2011)				TBD	TBD	TBD	MCC Common Indicator Guidance (May 2012, Version 1.0, pp.26): "The M&E Plan indicator definition table should specify the definition of "improved" being used under the project. Depending on the area served, a census count or household survey could be conducted to identify the percentage of households with access to improved sanitation and its specific source. The baseline for this indicator would be the percentage of households with improved sanitation at the beginning of the project. The change in this indicator may not be attributed to solely MCC since many other factors could influence household sanitation. Assumptions and caveats required for statements regarding the project's impact on access to improved water supply should be documented in the indicator definition table of the M&E Plan. The inputs (i.e. numerator and denominator) for this indicator must be included in the ITT indicator input spreadsheet(s)." Classifications for improved sanitation facilities conform to the Joint Monitoring Program (JMP) of UNICEF and WHO. Baseline source: 2011 Baseline Beneficiary Knowledge, Attitude and Perception (KAP) Survey of Water and sanitation and LAND Services, data collection instrument designed by MCC-DPE, data collected by Cape Verde National Statistical Institute.
Outcome	Industrial/ Commercial water consumption	Cubic/ meters/ month	Level	TBD (ARE 2011)	Monitoring only	MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 27): "The data can be calculated based on water consumed by businesses as registered from water meter or the utility's data base, or by a survey. Survey data is preferred as accurate service population information may not be available from utilities unless the utilities undertake analysis to understand their consumer profiles. All assumptions used to calculate cubic meters per month should be documented in the indicator definition table in the M&E Plan." Equivalent to International Benchmarking Network for Water and Sanitation Utilities (IBNET) Indicator 4.4. Baseline will be collected through the Master Plan. Change from Annex III needs to be documented in the Modifications Table (Annex III) of M&E Plan. Baseline Data Source: To be established following consultation with Municipal Government Water and Sanitation Service (SAAS).					
Outcome	Residential water consumption	Liters/ capita/ day	Level	36.2 (Provisional 2010)	Monitoring only	WS-14. MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 26-27): "The data can be calculated based on water consumed by households as registered from water meter or the utility's data base, or by a household survey. The persons served would be calculated by multiplying the households by persons per households. Household survey data is preferred as accurate service population information may not be available from utilities unless the utilities undertake analysis to understand their consumer profiles. All assumptions used to calculate liters per person per day should be documented in the indicator definition table in the M&E Plan." International Benchmarking Network for Water and Sanitation Utilities (IBNET) Indicator 4.7 and 4.3 designed on urban measurements but also applicable to rural measurements. "Baseline derived from the 2010 Water and Sanitation Survey collected by INE. Quartile 1 refers to the lowest income group; quartile 4 refers to the highest income group." (Compact Annex III-Footnote 18) "Targets for increased household water consumption will be based on estimated reductions of technical losses as opposed to increases in water production." (Compact Annex III-Footnote 19). Data is for monitoring purposes only. No targets required. Baseline Data Source: "Preparatory Survey Report on the Water Supply System Development Project in The Republic of Cape Verde", by Japan International Cooperation Agency, Toyo Engineering Corporation, NGEROSEC Corporation, UNICO International Corporation, January 2011, pp.532, Table 2.7-2: Average Household Water Consumption from Public Water Supply, pp.123. As per Compact Annex III, "average water consumption in liters per person per day for Santiago households will be disaggregated by a) income quartiles and b) the gender of head of household. Accordingly, a) 17.1 liters per capita per day corresponds to quartile 1, b) 31.7 liters per capita per day corresponds to quartile 2, c) 33.0 liters per capita per day corresponds to quartile 3, d) 62.7 liters per capita per day corresponds to quartile 4 where quartile 1 refers to the lowest income group and quartile 4 refers to the highest income group. Monitoring of increased household water consumption will be based on a) reduction of technical losses as opposed to increases in water production in combination with b) IGF funded Category II and Category III water supply projects.					
Outcome	Household cost of water needs	USD/cubic meter	Level	3.5				Monitoring only	Monitoring only	Monitoring only	Annex III-1. "Targets will be established based on assumptions of decreasing costs for populations served by regulated, corporatized utilities. Baselines and the manner of calculation will be established in collaboration with an independent impact evaluation firm, and will use a combination of statistically representative surveys." (Annex III Footnote 1). Refer to MCC-funded 2011 WASH/LAND Baseline Survey conducted by INE for establishing baseline and 2017 WASH/LAND endline survey for reporting actuals in Q20. Establish end-of-compact target based on SAAS five-year implementation plans and IGF approved projects. For monitoring purposes only; no targets required. Average household cost of piped water needs is 225,25 CVE/m ³ ; Average household cost of other water sources needs is 352,25 CVE/m ³ . JICA baseline survey conducted from October 2009 to December 2010. USD exchange rate (USD1=83,031CVE) based on average purchase and sale exchange as per official Cape Verde Central Bank published exchange rate. Refer to: www.bcv.cv Baseline Data Source: "Preparatory Survey Report on the Water Supply System Development Project in The Republic of Cape Verde", by Japan International Cooperation Agency, Toyo Engineering Corporation, NGEROSEC Corporation, UNICO International Corporation, January 2011, pp.532; Chapter 2 - Current Situation of Cape Verde; Section 2.7 - Result of Socio-Economic Analysis; 2.6.3 Households spending for water per m ³ by SAAS, pp.2-72.
Outcome	Average recovery price of water for corporatized utilities	US\$ per cubic meter	Cumulative	TBD Q4				TBD	TBD	TBD	Annex III-3. IBNET indicator, definition and toolkits available. Information will be sourced from 1) "Strategic National Master Plan for Water and Sanitation and Strategic Environmental Assessment" (Anticipated Approval of Final Report: 31Jan13) and/or 2) "Water and Wastewater Master Plan (25 year) for Santiago Island including Strategic Environmental and Social Assessment (SESA)" (Anticipated Approval of Final Report: 08Jul14) as per WASH 20Aug12 work plan. "Baseline and targets will be established based on inputs from an economic viability study to be financed by the Compact, as well as through the support of technical assistance consultants." (Annex III Footnote 3) "Baseline will be established, and targets verified, based on inputs from the economic viability study." (Annex III Footnote 4) Provisional targets pending recommendation of Economic Viability and Tariff Setting Study. 5) As per Compact Annex III-3, year 5 targets equivalent to "Greater than 15% reduction per year within two years of corporatization".
Outcome	Annual budgets and subsidies published (Annual budgets and independent annual audits of participating Santiago municipal water utilities published)	Date	Date	N/A				31May15	31May16	31May17	Annex III-13. Annual Budgets (2015-2017) will be established in the Economic Viability Study.
Outcome	Operating cost coverage	Percentage	Level	TBD Q4				TBD	TBD	TBD	MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 24): "This indicator focuses on financial performance of the utility to make a determination if the utility is financially viable and can cover its costs. (Calculation: OPC = R/C where OPC = Operation Cost Coverage, R = Total Annual Operational Revenue and C = Total Annual Operational Cost (including maintenance). Each country should clearly define how depreciation and maintenance are incorporated into the financial calculation. This should be documented in the indicator definition table in the M&E Plan." Equivalent to the International Benchmarking Network for Water and Sanitation Utilities (IBNET) Indicator 24.1. Baseline to be obtained from "Economic Viability Study and Comprehensive Tariff Study". (30Jun13) and "Comprehensive Tariff Study" (30Dec13) as per WASH 20Aug12 work plan.
Outcome	Continuity of Service (Objective Measure)	Hours/day	Level	TBD Q8				TBD	TBD	TBD	WS-9. Annex III-9. MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 24): "Data reported should exclude planned outages. This indicator focuses on "Quality of Service" as defined by IBNET. Source of data can either be utility hours of operation or a household survey; a household survey is preferred." Equivalent to International Benchmarking Network for Water and Sanitation Utilities (IBNET) Indicator 15.1. "Non-revenue water study and Santiago infrastructure needs and master plan study", to be financed by the Compact prior to entry into force, will aid in establishing baseline(s), annual targets and end-of-compact targets as necessary. Targets for increased supply reliability will be based on estimated reductions of technical losses as opposed to increases in water production." (Compact Annex III-Footnote 11) Refer to 2011 Baseline Beneficiary Knowledge, Attitude and Perception (KAP) Survey of Water and sanitation and LAND Services, data collection instrument designed by MCC-DPE, data collected by Cape Verde National Statistical Institute, 2011.

Outcome	Objective Measure of Water Quality	Number per 100 ml (and/or mg/l)	Level	TBD Q7		Monitoring only	Annex III-11. IB-NET Indicator Semi-annual independent laboratory results of randomized municipal water samples of fecal coliform counts (and/or residual C12) at the water treatment works and points of use. Refer to 2011 Baseline Beneficiary Knowledge, Attitude and Perception (KAP) Survey of Water and sanitation and LAND Services, data collection instrument designed by MCC-DPE, data collected by Cape Verde National Statistical Institute, 2011.				
Outcome	Collection Ratio	Ratio	Cumulative Annual	TBD (2011)				TBD	TBD	TBD	"Cash income" divided by "Billed revenue" expressed as a percentage. (IBNET indicator 23.2) The effectiveness of the collections process is measured by the amount of outstanding revenues at year end compared to the total billed revenue for the year, in day equivalents, and by the total amount collected as a percentage of the billed amount. Baseline Data Source: To be established following consultation with Municipal Government Water and Sanitation Service (SAAS).
Outcome	Staff per 1,000 connections	Ratio	Level	20 (Provisional 2010)		18	16	12	10	10	IBNET reference: Staff costs are traditionally a major component of operating costs. Understanding staffing levels can often give a quick guide to the extent of any over-manning in a water utility. While it is preferable to be able to allocate staff time to either water or wastewater services, this information is sometimes not available. Comparisons are best made between utilities which offer the same scope of service both in terms of total size, and mix of water and sewer service. Note that where outside contractors are used (see indicator 14.1), staff number comparisons should take this into account. http://www.ib-net.org/en/texts.php?folder_id=106&mat_id=87&l=1&S=2&ss=6 According to Table 2.4-3: Number of Connections and Employees (SAAS) of the "Preparatory Survey Report on The Water Supply System Development Project in The Republic of Cape Verde", prepared by Japan International Cooperation Agency, Toyo Engineering Corporation, INGEROSEC Corporation and UNICO International Corporation, dated January 2011, pp. 2-34, the average number of staff per 1,000 connections for Santiago Island, excluding Praia and San Miguel municipalities, is equal to 20; i.e., 16,348 connections; 334 employees; 20 staff/1,000 connections. Given: São Domingos (800 connections; 93 employees; 116 staff/1,000 connections) Santa Cruz (5,000 connections; 23 employees; 4.6 staff/1,000 connections) Tarrafal (3,724 connections; 57 employees; 15 staff/1,000 connections) Santa Catarina (4,906 connections; 96 employees; 20 staff/1,000 connections) Ribeira Grande (782 employees; 16 employees; 20 staff/1,000 connections) São Lourenço dos Órgãos (860 connections; 31 employees; 36 staff/1,000 connections) São Salvador (276 connections; 18 employees; 65 staff/1,000 connections) São Miguel (not reported)
Outcome	Non-revenue water for Multiple Municipal Utility(s)	Percentage	Level	50		40	35	30	25	25	WS-8 Annex III-12. MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 23): "The volume of water lost is defined as Non-Revenue Water (NRW) and consists of two components, technical and commercial. The technical NRW results from leakages in the water distribution network. Commercial NRW could be due to reasons such as illegal water connections, insufficient household affordability to pay the received bills, and lack of an efficient database system by the utility. (Calculation: $NRW = 1 - (P/S)$ where: NRW = Non Revenue Water, P = Paid Billed Volume by all customers and S = Supplied Volume). Equivalent to the International Benchmarking Network for Water and Sanitation Utilities (IBNET) Indicator 6.1. "Non-revenue Water Study, financed prior to entry into force, will update baseline figure." (Compact Annex III-Footer 13). Linked to ERR. Baseline data source: Compact Annex I, pp.5, paragraph (c).
Outcome	Percentage of individuals adopting improved WASH behaviors and practices	Percentage	Level	0 (2012)		25	25	25	25	25	MCC Common Indicator Guidance (May 2012, Version 1.0, pp.22): "Each country should define clearly what it means to "train" a person taking into consideration the desired result of training or technical assistance. This should be documented in the indicator definition table in the M&E Plan. An individual who receives training or technical assistance multiple times should be counted only once, as one individual trained." Reference: "Towards Better Programming; A Manual on Hygiene Promotion", United Nations Children's Fund (UNICEF) and the London School of Hygiene and Tropical Medicine (LSHTM), Water, Environment and Sanitation Technical Guidelines Series No. 6, 1999. Clearly define what constitutes "trained"; consider the desired result of training. Define curriculums and specify course durations (hours). Semi-annual following initiation of IEC training activities.
Outcome	Client satisfaction with supply reliability	Percentage	Level	46 (2011)					85	85	Annex III-8. Definition as per Annex III: "Total number of water and waste water complaints per year expressed as a percentage of the total number of water and waste water connections disaggregated by income quartile." "Results from the 2010 Water and Sanitation Survey collected by the National Statistical Institute (INE) show that 36 percent of head of household respondents are either "very dissatisfied" (11 percent) or "dissatisfied" (25 percent) with the reliability of piped public water in Santiago, whereas 46 percent of respondents indicate that they are either "satisfied" (41percent) or "very satisfied" (5 percent) with the reliability of piped public water in Santiago. M&E Plan will provide income disaggregation for this indicator." Annex III-Footer 10. Refer to MCC-funded 2011 WASH/LAND Baseline Survey conducted by INE for establishing baseline and 2017 WASH/LAND endline survey for reporting actuals in Q20. Refer to 2011 Baseline Beneficiary Knowledge, Attitude and Perception (KAP) Survey of Water and sanitation and LAND Services, data collection instrument designed by MCC-DPE, data collected by Cape Verde National Statistical Institute, 2011.
Outcome	Client satisfaction with water quality	Percentage	Level	49 (2011)					85	85	Annex III-10. Definition as per Annex III: "Total number of water and waste water complaints per year expressed as a percentage of the total number of water and waste water connections disaggregated by income quartile." "Results from the 2010 Water and Sanitation Survey collected by INE show that 38 percent of head of household respondents are either "very dissatisfied" (18 percent) or "dissatisfied"(20 percent) with the potability of piped public water in Santiago, whereas 49 percent of respondents indicated that they are either "satisfied" (44 percent) or "very satisfied" (5 percent) with the potability of piped public water in Santiago. M&E Plan will provide income disaggregation of data for this indicator". Compact Annex III-5, footnote 12. M&E Plan will provide income disaggregation for this indicator." Annex III-Footer 10 Refer to MCC-funded 2011 WASH/LAND Baseline Survey conducted by INE for establishing baseline and 2017 WASH/LAND endline survey for reporting actuals in Q20. Refer to 2011 Baseline Beneficiary Knowledge, Attitude and Perception (KAP) Survey of Water and sanitation and LAND Services, data collection instrument designed by MCC-DPE, data collected by Cape Verde National Statistical Institute, 2011.
Outcome	Volume of water produced	Cubic meters per day	Level	19,116 (2011)		Monitoring only	Monitoring only	TBD	TBD	TBD	WS-11. MCC Common Indicator Guidance (May 2012, Version 1.0, pp.25): None Provided. Monitoring of volume of water produced will be based on IGF funded Category II and Category III water supply projects.
Process	Value of signed water and sanitation feasibility and design contracts	US Dollars	Cumulative	578,88.00 (609g)	TBD	TBD	TBD	TBD	TBD	TBD	MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 20): "If the value of a contract changes, the total contract value should be reported in the quarter that the change occurred. Costs associated with pre-feasibility, supervision or management should not be included."
Process	Value disbursed of signed water and sanitation feasibility and design contracts	US Dollars	Cumulative	221,367.00 (609g)	TBD	TBD	TBD	TBD	TBD	TBD	
Process	Percent disbursed of water and sanitation feasibility and design contracts	Percentage	Cumulative	0	38.2	TBD	TBD	TBD	TBD	TBD	MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 20): "If the value of a contract changes, the total contract value should be reported in the quarter that the change occurred. Costs associated with pre-feasibility, supervision or management should not be included." Numerator = Value disbursed of water and sanitation feasibility and design contracts. Denominator = Value of signed water and sanitation feasibility and design contracts (WS-1)."
Process	Value of all signed technical advisory services and training contracts in support of the Water, Sanitation and Hygiene Project	US Dollars	Cumulative	30,350.00 (609g)	TBD	TBD	TBD	TBD	TBD	TBD	Proposed Guidance: If the value of a contract changes, the total contract value should be reported in the quarter that the change occurred. Costs associated with pre-feasibility, supervision or management should not be included.

Process	Value disbursed of all signed technical advisory services and training contracts in support of the Water, Sanitation and Hygiene Project	US Dollars	Cumulative	30,350.00 (609g)	TBD	TBD	TBD	TBD	TBD	TBD	
Process	Percent disbursed of technical advisory services and training contracts in support of the Water, Sanitation and Hygiene Project	Percentage	Cumulative	0	100	TBD	TBD	TBD	TBD	TBD	Proposed Guidance: If the value of a contract changes, the total contract value should be reported in the quarter that the change occurred. Costs associated with pre-feasibility, supervision or management should not be included. Numerator = Value disbursed of all signed consulting contracts for technical advisory and training services. Denominator = Value of all signed consulting contracts for technical advisory and training services.
Condition for Disbursement	MAHOT and SAAS sign MOU transitioning to independently operated/managed Multiple Municipal Utility(s) of Santiago	Date	Date		30-Nov-12					30-Nov-12	Condition Precedent: "Prior to disbursement of Program funding for the Utility Reform Activity, the SAAS shall have committed to the transition to an independently operated and managed Aguas de Santiago in a memorandum of understanding among MAHOT and the municipalities or such other document acceptable to the Government and MCC." (Annex I-5)
Condition for Disbursement	GoCV ensures Multiple Municipal Utility(s) of Santiago sufficient equity to support operations and working capital needs	Date	Date		Q3 (31Aug13)					Q3 (31Aug13)	Condition for Disbursement: "Continued support for the [Utility Reform] sub-activities described in paragraphs (ii)(B) and (ii)(C) of [Annex I of the Compact] is conditioned on the Government ensuring that Aguas de Santiago has sufficient equity contributions, or other non-reimbursable funding from its shareholders to support its operations and working capital needs, in accordance with the economic and financial viability study undertaken in sub-activity (i)(B) above and satisfactory to MCC." (Annex I-5)
Process	Multiple Municipal Utility(s) created as an independent corporatized entity based on cost-of-service	Date	Date		Q4 (30Nov13)					Q4 (30Nov13)	Condition Precedent: "As set forth more specifically in the Program Implementation Agreement, MCC Funding for the IGF will be made available incrementally subject to the achievement of reform milestones. Prior to making the second tranche of funding available under the IGF, Aguas de Santiago shall have been created as an independent, corporatized entity that is based on cost-of-service by rate class and which addresses pro-poor tariffs. (Annex I-6)

Activity 3. Infrastructure Grant Facility Activity

Outcome	Demonstrated performance of eligible entity(s) towards "corporatization", as defined under IGF Operations Manual, for individual investments at signing of grant agreements. Eligible entities applying for IGF grants for individual investments demonstrate incremental progress towards "corporatization" at the time of signing of grant agreements	Number	Cumulative	0		Monitoring only	Note: Provisional IGF eligibility requirements and criteria are based on the 19Oct11 Draft "Cape Verde Infrastructure Grant Facility (IGF)" Water, Sanitation and Hygiene Facility Activity Description. Refer to findings, conclusions and recommendations of the "Infrastructure Grant Facility for WASH Sector (IGF)" study; estimated delivery date is anticipated for May-June 2013. Annex III-18. As defined under the IGF Operations Manual, eligible entities applying for IGF grants for individual investments demonstrate incremental progress towards "corporatization" at the time of signing of grant agreements for Category I, II and III projects. Provisional IGF eligibility requirements/criteria include: Category I: Eligible entities (Municipality, Utilities and Independent Private Operators) are required to demonstrate incremental progress on the following key features of "Corporatization" in order to be considered eligible applicants for Category I Grants (Studies and Technical Assistance): a) progress towards autonomous management and b) Management/Operational Plan with performance indicators identified. Category II: Eligible entities (Municipality, Utilities and Independent Private Operators) are required to demonstrate incremental progress on the following key features of "Corporatization" in order to be considered eligible applicants for Category II Grants (Existing Network Improvements and Off-network Improvements): a) autonomous management/ registered as an enterprise, b) progress against Management/Operational Plan with performance indicators identified, c) financial transparency and d) reduced commercial losses/improved collections and revenues. *Note: municipalities are restricted to off-network water and sanitation projects only with utility endorsement. Category III: Eligible entities (Corporatized Utilities and Independent Private Operators) are required to demonstrate incremental progress on the following key features of "Corporatization" in order to be considered eligible applicants for Category III Grants (Existing Network Improvements & Off-Network Improvements): fully autonomous management, b) optimized staffing, c) externally validated financial transparency, d) reduction water losses and e) improved sanitation operations.				
Output	Water points constructed	Number	Cumulative	0				TBD	TBD	TBD	WS-7. MCC Common Indicator Guidance (May 2012, Version 1.0, pp.23): None Provided. The number of non-networked, stand-alone water supply systems constructed, such as: protected dug wells, tube-wells / boreholes, protected natural springs and rainwater harvesting /catchment systems.
Process	Value of IGF Social Fund for disadvantaged groups and/or poor households	US Dollars	Cumulative		TBD	TBD	TBD	TBD	TBD	TBD	
Process	Value disbursed of IGF Social Funds for disadvantaged groups and/or poor households	US Dollars	Cumulative	0	TBD	TBD	TBD	TBD	TBD	TBD	
Process	Percent disbursed of IGF Social Funds to disadvantaged groups and/or poor households	Percentage	Cumulative	0		10	50	70	100	100	
Process	Operations Manual for the IGF approved by MCA-Cape Verde II and MCC	Date	Date		Q3 (30Aug13)					Q3 (30Aug13)	Condition Precedent: "As set forth more specifically in the Program Implementation Agreement, MCC Funding for the IGF will be made available incrementally subject to the achievement of reform milestones. Prior to making the first tranche of funding available under the IGF: (1) the operations manual for the IGF shall have been approved by MCA-Cape Verde II and MCC; and (2) ANAS shall have been created and CNAS shall have adopted the Master Plan". (Annex I-7)
Process	GoCV makes matching contribution to the IGF	Date	Date		Q3 (30Aug13)					Q3 (30Aug13)	Condition Precedent: "As set forth more specifically in the Program Implementation Agreement, MCC Funding for the IGF will be made available incrementally subject to the achievement of reform milestones. Prior to making the third tranche of funding available under the IGF, the Government shall make an appropriate matching contribution to the IGF as per the agreed Government contribution schedule in the Program Implementation Agreement." (Compact Annex I-7) As per Annex 2 (Country Contributions), page 1, of the 30Jul12 signed PIA, a) "GoCV contributions to the IGF from receipts of environmental tax to fund projects selected by the IGF" is equal to USD 1,449,664 (equivalent to USD 483,221 in 2013, 2014 and 2015) and b) Funding (loans or grants) from donors to the GoCV for projects selected by the IGF is equal to USD 4,500,000 (equivalent to USD 1,500,000 in 2014, 2015 and 2016). As per Annex 3 (Conditions Precedent to Program Funding), page 2-3, of the 30Jul12 signed PIA, "The amount of MCC funding in the third tranche of the Infrastructure Grant Facility, shall at no time exceed the total amount of government and third party firm commitments of funding by the government or other donors to the Infrastructure Grant Facility, as reported in connection with the country contribution schedule set for in Annex 3; provided that the expenditures made pursuant to such commitments are reasonably expected to be made prior to the expiration of the compact term." ☐
Process	Value of signed water and sanitation construction contracts	US Dollars	Cumulative	0				TBD	TBD	TBD	WS-3. MCC Common Indicator Guidance (May 2012, Version 1.0, pp.20): "If the value of a contract changes, the total contract value should be reported in the quarter that the change occurred. Cost sharing by others (e.g., the non-MCC funding component of any co-financing with other donors or government) should not be included. Costs associated with supervision or management should not be included."
Process	Value disbursed of signed water and sanitation contracts	US Dollars	Cumulative	0				TBD	TBD	TBD	
Process	Percent disbursed of water and sanitation construction contracts	Percentage	Cumulative	0				TBD	TBD	TBD	WS-4. MCC Common Indicator Guidance (May 2012, Version 1.0, pp.20): "Numerator = Value disbursed of water and sanitation construction contracts. Denominator = Value of signed water and sanitation construction contracts (WS-3)."

Process	Temporary employment generated in water and sanitation construction	Number	Cumulative	0			TBD	TBD	TBD	TBD	WS-5. MCC Common Indicator Guidance (May 2012, Version 1.0, pp.22): "This indicator counts the number of people contracted, not the amount of time that those people were temporarily employed. Even if a person was contracted for one day, he/she should be counted. Both local and foreign workers should be included. Informal employment generated by construction activities is not included."
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Cape Verde II Land Project

Annex II: Table of Indicator Baselines and Targets

Indicator Level	Indicator Name	Unit of Measure	Indicator Classification	Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	End of Compact Target	Comment	
					2013	2014	2015	2016				
PROGRAM GOAL												
Goal	GDP per capita	US Dollars	Level	3,798 (2011)						Monitoring Only	Monitoring Only	Cape Verde 2011 GDP (current US\$) = 1.901 billion with population of 500,600. World Bank uses product approach for estimating GDP. Source: http://data.worldbank.org/country/cape-verde 09Nov12 MCA-CPVII requested of INE the latest official reported data and date of systematic annual publications. INE uses product approach for estimating GDP. INE anticipates estimating GDP by island for FY13 in 2014 using product approach. For monitoring purposes only; no targets required. GDP will be monitored post compact year 3.
Goal	National Poverty Incidence	Percentage	Level	26.6 (2007)						Monitoring Only	Monitoring Only	Source: QUIBB 2007 (Questionario Unificado de Indicadores Basicos de Bem-Estar); Cape Verde National Statistical Institute (INE). Refer to Table 7 (Incidencia de Pobreza em Cabo Verde (%)) por Concelho, 2007) on pp. 36 of "Análise de Situação da Craínca e Adollescente em Cabo Verde, UNICEF, 2011, for disaggregation by municipality and urban/rural areas. The 2010 Population Census did not collect income data which does not make possible analyzing poverty incidence with data more current than 2007. 09Nov12 request from MCA-Cape Verde II to INE for a) male head-of household and b) female head-of-household disaggregated data by urban/rural areas on Sal Island.
Goal	Average household income in intervention island(s) of high tourism investment potential	US Dollars	Level	Available 2014 (Based on 2013 data)						Monitoring Only	Monitoring Only	Depending on availability of funding, INE plans to conduct a "Household Income and Expenditure Survey" (HIES) in 2013. A fully-funded 2013 "Inquerito Multi-objetivo Continuo" will provide an early indication of "average household expenditures" on intervention island(s) of high tourism investment potential (Sal, Sao Vicent, Boa Vista and Maio).
Outcome	Trend in bed-capacity	Number	Level	9,802 (2010)			14,890	17,040		17,932	Greater than 5% increase in baseline trend	Baseline and targets estimated from INE data by island (see ERR analysis spreadsheet for details). 2010 baseline will be updated with 2012 actuals to be reported by INE by not later than May 2013. INE will collect data quarterly but MCA will report to MCC annually. ERR to be updated on an annual basis; modifications to be documented in Annex III of the M&E Plan. For monitoring purposes only; no targets required; to be monitored in post compact year 3. Note: Compact Annex III a) baseline is "2011-2015 trend: current projections estimate a capacity of approximately 16,200 beds, 3.8 million bed-nights in 2016" and b) end-of-compact target is "Greater than 5% level increase above baseline trends for both bed capacity and bed-nights". Footnote 20 of Compact Annex III: "Manner of calculation will be specified in the M&E Plan, in collaboration with an independent impact evaluation". Footnote 21 of Compact Annex III: "Data and targets are linked to the economic analysis and economic rate of return analysis for the project".
Outcome	Trend in bed-nights capacity	Percentage	Level	8,8 (2011)						5.2	Greater than 5% increase in baseline trend	Baseline and targets estimated from INE data by island (see ERR analysis spreadsheet for details). 2010 baseline will be updated with 2012 actuals to be reported by INE by not later than May 2013. INE will collect data quarterly but MCA will report to MCC annually. ERR to be updated on an annual basis; modifications to be documented in Annex III of the M&E Plan. For monitoring purposes only; no targets required; to be monitored in post compact year 3. Note: Compact Annex III a) baseline is "2011-2015 trend: current projections estimate a capacity of approximately 16,200 beds, 3.8 million bed-nights in 2016" and b) end-of-compact target is "Greater than 5% level increase above baseline trends for both bed capacity and bed-nights". Footnote 20 of Compact Annex III: "Manner of calculation will be specified in the M&E Plan, in collaboration with an independent impact evaluation". Footnote 21 of Compact Annex III: "Data and targets are linked to the economic analysis and economic rate of return analysis for the project".
Outcome	Average ZDTI and Non-ZDTI land property values per square meter	US Dollars	Level	TBD Q8 (30Nov14)			Monitoring Only	Monitoring Only	Monitoring Only	Monitoring Only	Monitoring Only	Provisional baseline to be established by data analysis of Sal municipal accounting system (SIM) effective 30Nov14. Cadastral acquisition to begin 30Sep14 (Q8). Market values per square meter for non-ZDTI urban commercial and non-commercial properties on islands of high tourism investment potential to be established based on MCA-M&E funded Land Appraisal Survey to be conducted by commercial bank, realtor and municipal office appraisers.
Outcome	Average annual investment in household improvements and assets	US Dollars	Level	TBD (Q4)						TBD	TBD	Survey will be conducted in order to establish baseline fair market values of non-ZDTI urban commercial and urban residential properties on islands of high tourism investment potential prior to MCA field surveying activities. Land appraisals will be conducted by professional appraisers from commercial and mortgage loan banks, members of professional realtor associations and municipal office personnel on the islands of Sal, Boa Vista, Sao Vicente and Maio.
Outcome	Tourism Value Added	US Dollars (millions)	Level	133 (2010)			202	220		231	Greater than 5% increase in baseline trend	Baseline and targets based on special study (see Estudo Sobre Cadeia de Valor do Sector do Turismo de Cabo Verde 2011). For monitoring purposes only; no targets required.
Outcome	Number of formal ancillary tourism businesses in Sal	Number	Level	Available 2013 (2012 data)			TBD	TBD		TBD	TBD	Data from 2007 Business Census (III Recenseamento Empresarial; 2007) and 2009 Business Survey (Inquerito Annual as Empresas; 2009) are available for provisional baseline. INE has indicated that it has collected 2012 Business Census (IV Censo Empresarial Annual 2012) and will disseminate results by May 2013. Formal sector tourism-related ancillary businesses will be classified according to the international classification of economic activities (Classificação das Atividades Económicas de Cabo Verde: CAECV.Rev.1). Note: The 2010 Population Census did not collect income data which does not make possible analyzing poverty incidence with data more current than 2007. Consult with INE for development of disaggregation by male/female owned enterprise.
Outcome	Foreign Direct Investment	US Dollars (millions)	Level	100,9 (2010)							Monitoring Only	Official Central Bank of Cape Verde (BCV) definition: A foreign direct investment is an individual, an incorporated or unincorporated public or private enterprise, a government, a group of related individuals, or a group of related incorporated and/or unincorporated enterprises which has a direct long-term investment enterprise (i.e., a subsidiary, associate or branch) operating in Cape Verde other than the country or countries of residence of the foreign direct investor or investors.
Outcome	Domestic Investment	US Dollars	Level	TBD (2010)							Monitoring Only	09Nov12 request from MCA-Cape Verde II to INE for current US dollar value of domestic investment at the a) national level, b) disaggregated by islands of high tourism investment potential (disaggregation by Sal, Boa Vista, Sao Vicente and Maio will be available as of 2014), and c) by tourism and construction sectors.
Outcome	Increased employment in tourism sector	Number	Level	TBD						1239	1239	Targets derived from economic analysis based on best guess of employment share of value added. 09Nov12 request from MCA-Cape Verde II to INE for employment in tourism sector disaggregated by islands of high tourism investment potential (Sal, Boa Vista, Sao Vicente and Maio).
Outcome	Increased employment in construction sector	Number	Level	TBD				5085		496	496	Targets and Compact total derived from economic analysis based on best guess of employment share of value added (see ERR spreadsheet analysis). 09Nov12 request from MCA-Cape Verde II to INE for employment in construction sector disaggregated by islands of high tourism investment potential (Sal, Boa Vista, Sao Vicente and Maio).

Outcome	Percentage change in time for property transactions	Percentage	Level	720 days (2011)					90% reduction (72 days)	90% reduction (72 days)	<p>The 720 (2-year duration) baseline suggested by expert opinion (Luis Maximiano, CabolInvest, developers on Sal) and not based on an elaboration of steps; the working hypothesis is that if the process on average demands this much time then the Compact investment should reduce this time by at least half (and if it were only by a year the impacts are not likely to be very strong upon investment decision making).</p> <p>MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 13-14): "This includes formal costs associated with all steps to register a property for the first time or transfer a property between owners or users. Transactions include first time registration (for those parcels not directly registered by the project) or property transfers through sales. Cost is tracked for the same transaction per country as defined in the M&E plan, depending on the specific compact activities. The most relevant transaction should be selected although countries can choose to track both first time registration and transfers. Cost reductions are usually the result of legal, regulatory, or procedural improvements, introduction of new or modified information management systems, or introduction of new facilities or equipment. The M&E Plan should specify which transaction(s) on which the indicator will be based and the reason it is the most appropriate. Formal costs should be collected by administrative data or survey if available or feasible. If from survey data, the question and methods should be informed by other MCA surveys. For inter-compact consistency, this cost should not include monetization of time, although this information should be collected for impact evaluations. Indicator inputs should be used to track the actual cost in US Dollars in order to calculate the percentage change."</p> <p>Footnote 11 of Common Indicator Guidance: "Registry is the final step, but cost should incorporate all steps necessary for property registration or transfer, including related fees at the notary, cadastral, registry and other relevant offices". Need to update the baseline by 2013. The baseline in Annex II is a different unit than the indicator in the M&E Plan. Need to identify location for measurement. Target sourced from ERR. Disaggregation by "First time registration/ Transfers, Commercial/Non-Commercial and activity" required.</p> <p>Footnote 12 of Common Indicator Guidance: "Other transfers such as inheritances and gifts can be tracked by the M&E plan but should not be included as part of this common indicator".</p> <p>Establishing baseline and annual reporting for first time registrations/transfers will follow implementation of the Land Information Management System (LIMS).</p> <p>Transaction(s) on which the percentage change in time for property transactions will be based relate to the following salient a) boundary definition and b) property registration tasks.</p> <p>Salient boundary definition tasks include: (a) topographic survey, b) negatively identify lot (matriz + registro predial search), c) solving the ownership of the land (Cj, Municipality, DGPCP, Lawyer), d) lot request for legalization, e) physical inspection, f) preparation of drawings of location, g) preparation of use/sale contract, h) lot applied for and awarded, i) apply to change the name for construction.</p> <p>Salient property registration tasks include: a) obtain property title from property registry (certidão predial), b) obtain copy of the cadastral certificate (certidão matricial) at municipality, c) parties sign promise to sell contract, d) public deed for property transfer, e) pay property transfer tax (LUP) and register the new</p>
Outcome	Percentage change in cost for property transactions	Percentage	Level	TBD Q12 (31Nov15)				Monitoring Only	Monitoring Only	Monitoring Only	<p>MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 13-14): "This includes formal costs associated with all steps to register a property for the first time or transfer a property between owners or users. Transactions include first time registration (for those parcels not directly registered by the project) or property transfers through sales. Cost is tracked for the same transaction per country as defined in the M&E plan, depending on the specific compact activities. The most relevant transaction should be selected although countries can choose to track both first time registration and transfers. Cost reductions are usually the result of legal, regulatory, or procedural improvements, introduction of new or modified information management systems, or introduction of new facilities or equipment. The M&E Plan should specify which transaction(s) on which the indicator will be based and the reason it is the most appropriate. Formal costs should be collected by administrative data or survey if available or feasible. If from survey data, the question and methods should be informed by other MCA surveys. For inter-compact consistency, this cost should not include monetization of time, although this information should be collected for impact evaluations. Indicator inputs should be used to track the actual cost in US Dollars in order to calculate the percentage change."</p> <p>Footnote 11 of Common Indicator Guidance: "Registry is the final step, but cost should incorporate all steps necessary for property registration or transfer, including related fees at the notary, cadastral, registry and other relevant offices".</p> <p>Footnote 12 of Common Indicator Guidance: "Other transfers such as inheritances and gifts can be tracked by the M&E plan but should not be included as part of this common indicator".</p> <p>Establishing baseline and annual reporting for first time registrations/transfers will follow implementation of the Land Information Management System (LIMS); estimated date is DD/MM/YYYY.</p>
Outcome	Independent assessment of percentage change in time for transfers of commercial property already registered	Percentage	Level	31 days (2011)					3 days	3 days	<p>World Bank Web site: "Doing Business Survey, 2012".</p> <p>Time is recorded in calendar days. The measure captures the median duration that property lawyers, notaries or registry officials indicate is necessary to complete a procedure. It is assumed that the minimum time required for each procedure is 1 day. Although procedures may take place simultaneously, they cannot start on the same day. It is assumed that the buyer does not waste time and commits to completing each remaining procedure without delay. If a procedure can be accelerated for an additional cost, the fastest legal procedure available and used by the majority of property owners is chosen. If procedures can be undertaken simultaneously, it is assumed that they are. It is assumed that the parties involved are aware of all requirements and their sequence from the beginning. Time spent on gathering information is not considered.</p> <p>Doing Business Property Registration indicator measures transfers of commercial property in country's capital city. Methodology assumes property being transferred is already registered at the MJ registro predial.</p>
Outcome	Frequency of property transactions	Number	Level	TBD Q8(30Nov14)				Monitoring Only	Monitoring Only	Monitoring Only	<p>Consult "Conservatória" (Registro Predial) for establishing baselines; estimated date for establishing baseline is 30Nov14 (Q8).</p> <p>For monitoring purposes only; no targets required.</p>

LAND MANAGEMENT FOR INVESTMENT PROJECT

Activity 1. Legal and Institutional Foundations Activity

1.1 legal, institutional, and procedural foundations Sub-activity

1.2 Develop and install land information and transaction systems Sub-activity

Outcome	Operating cost coverage	Percentage	Level	TBD Q12 (31Nov 15)				Monitoring only	Monitoring only	Monitoring only	<p>Refer to findings, conclusions and recommendations of the "Technical Assistance for Revenue Modeling and Financial Sustainability" consulting contract. Measurement will require coordination and agreement among the entities (MJ, MAHOT, Municipalities) to agree to the tracking approach and identify the total operating costs attributable to the system so that the results are useful.</p> <p>For monitoring purposes only; no targets required.</p>
Output	Legal and regulatory reforms adopted	Number	Cumulative	0	Monitoring only	<p>Condition Precedent as per Compact Annex I-10: "Any new or amended laws or regulatory texts (regulations, ordinances and directives) determined to be necessary under the Foundations Activity, shall have been adopted by the Parliament or the relevant Government ministry and be in full force and effect".</p> <p>MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 10): "To date, adopted reforms have focused on amendments to existing property and land laws, and on new land tenure laws and implementing regulations, including streamlining procedures and recognition of land rights for women, communities and informal settlements. The indicator may include reforms at either national or lower levels. Each new or revised law should be counted as one unit. Multiple amendments to the same law should not be counted separately."</p> <p>No targets required; for monitoring purposes only.</p>					
Output	Land administration offices established or upgraded	Number	Cumulative	0		1	3	35	35	35	<p>The number of land administration and service offices or other related facilities that the project physically establishes or upgrades.</p> <p>Note: The office is considered established or upgraded after the provision and installation of equipment, installation of the fully functional land information and transaction management system, and the mobilization of new staff as required to be functional. Note: Land administration offices to be rehabilitated include 22 municipal offices, 12 DGRN offices and the UCCP central office.</p>

Output	Stakeholders receiving formal on-the-job training or technical assistance regarding roles, responsibilities or new technologies	Number	Cumulative	N/A		Monitoring only	Monitoring only	Monitoring only	Monitoring only	Monitoring only	MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 11): "Sensitization and other public outreach events do not count as training. The curricula, length, method and intensity of training programs vary from compact to compact and may include workshops, seminars, study trips, or courses. Each country should define clearly what it means to "train" a stakeholder taking into consideration the desired result of training. This should be documented in the indicator definition table in the M&E Plan. An individual who receives training or technical assistance multiple times should be counted only once, as one individual trained." Clearly define what constitutes "trained"; consider the desired result of training or technical assistance. Quantify training targets, define individualized curriculums, specify course durations (hours) of Activity 1 and 2 training curriculums based on "satisfactory completion of required skill set to perform improved function in support of project objectives" to be disaggregated by institution, area of technical competency and male/female.
Process	Adoption of "Operations Manual" for the Rights and Boundaries Activity fieldwork in full force and effect	Date	Date	N/A			Q9 (28Feb15)			Q9 (28Feb15)	Condition Precedent as per Compact Annex I-10: "An operations manual for the Rights and Boundaries Activity fieldwork satisfactory to MCC, including environmental and social safeguards and provisions, shall have been completed and adopted by the Ministry of Justice and the Ministry of Environment, Housing and Territorial Management through such instrument as the Parties agree is required to give full force and effect to such manual".
Process	Data access and manipulation protocols for land information and transaction system approved by appropriate GoCV authorities and fully implemented	Date	Date	N/A			Q9 (28Feb15)			Q9 (28Feb15)	System integration of land-related information databases (Sistema Informacao Municipal (SIM3), Sistema Informacao Territorial (SIT) and Sistema dos Registos, Notariado e Identificao (RNI) and Sistema Cadastro Predial (SCP) completed with data access and manipulation protocols approved by collaborating institutions and operational.
Process	"Registry and Notary Procedures Manual" approved by appropriate GoCV authorities	Date	Date	N/A		Q6 (31May14)				Q6 31May14	A request for proposals for conducting a "Registry and Notary Procedures Manual Development" will be launched October 2013.
Process	Legal text regarding revised fee structure approved by appropriate GoCV authorities	Date	Date	N/A		Q7 (30Sept14)				Q7 (30Sept14)	A request for proposal for conducting a "Land Transactions Cost and Fee Study" will be launched September 2013. This item is "if determined necessary". The study comes first, the study will determine if any legal or regulatory changes are needed.
Activity 2. Rights and Boundaries Activity											
Outcome	Percent of targeted surface area on targeted islands incorporated into the Land Management Information and Transaction System (LMITS)	Percentage	Level	TBD Q9 (28Feb15)			100 (Sal)	TBD (Boa Vista, Sao Vicente, Maioa)	100	100	Percent of surface area of island(s) of high tourism investment potential that is incorporated into the land information and management system including the surface area that has been mapped and for which rights information has been obtained/formally recognized as well as the surface area that is classified as "cadastro diferido" (unresolved parcels). Note: Percent of targeted surface area of island(s) of high tourism investment potential that is incorporated into the land management information and transaction system including the total surface area of parcels where a) boundaries are mapped, b) land rights have been confirmed (or a new right adjudicated) and c) said parcel is legally recognized in the "registro predial". Surface area classified as "cadastro diferido" (unresolved parcels) will also be disaggregated and reported.
Output	Households in intervention island(s) of high tourism investment potential with land rights formalized through project	Number	Cumulative	TBD Q10 (31May15)			Monitoring only	Monitoring only	Monitoring only	Monitoring only	MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 12): "This can include secondary rights. The formalization process varies by project but can include the recordation or registration of a customary or informal right, as well as the regularization or adjudication of rights. Include only rights formalized directly by the project." MCC Common Indicator Guidance Footnote 8: "USG Feed the Future (FTF) Indicator 4.5.1-16". No targets required; for monitoring purposes only.
Output	Parcels corrected or incorporated in land system	Parcels	Cumulative	Q10 (31May15)			Monitoring only	Monitoring only	Monitoring only	Monitoring only	The number of parcels with relevant parcel information corrected or newly incorporated into an official land information system (whether a system for the property registry, cadastre or an integrated. Note: Cape Verde: A "predio" (parcel) corrected or incorporated in the land system (LMITS) is reported when a) its boundaries are mapped, b) land rights have been confirmed (or a new right adjudicated) and c) said parcel is legally recognized in the "registro predial". MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 12): "This may include parcel rights newly digitized, parcels with boundary revisions or ownership rights corrected, and parcels with newly formalized rights. Include only parcels corrected or incorporated directly by the project." Targets to be established following review of budget assumptions; targets for indicative/reference purposes only.
Output	Conflicts successfully mediated	Number	Cumulative	Q12 (30Nov15)			Monitoring only	Monitoring only	Monitoring only	Monitoring only	MCC Common Indicator Guidance (May 2012, Version 1.0, pp. 11): "This may include resolution of property border disputes, disputes over existing ownership, and disputes over the right to own, inherit, use or access the property or land-based resource." Footnote 7 of said guidance states: "If no activities are included in the compact to reduce conflicts, this may be tracked without targets." No targets required; for monitoring purposes only. No disaggregation required by MCC Common Indicator Guidance; proposed disaggregations relevant to MCA-CV II project management in particular for training and informing government policy. Verify LMITS data requirements with NOSI.
Process	Field test "Fieldwork Operations Manual" and methodology completed on Sal	Date	Date			Q8 (30Nov14)				Q8 (30Nov14)	Testing will take place after the base period of the "Field Operation Manual" consulting services contract is completed. Refer to deliverables of the "Preparatory Services: Legal and Procedural Study and Recommendations; Dispute Resolution and Resettlement Policy Framework; Environmental, Social and Gender Screening Tools; production of Fieldwork Operations Manual" consulting services contract. Refer to findings, conclusions and recommendations of the "Preparatory Services: Legal and Procedural Study and Recommendations; Dispute Resolution and Resettlement Policy Framework; Environmental, Social and Gender Screening Tools; production of Field Operation Manual" consulting services contract. Condition Precedent as per Annex I of Compact Agreement: "Any new or amended laws or regulatory texts (regulations, ordinances and directives) determined to be necessary under the Foundations Activity, shall have been adopted by the Parliament or the relevant Government ministry and be in full force and effect."
Process	Roll-out to other islands of high tourist investment potential	Date	Date					Q14 (31May16)		Q14 (31May16)	Starting Compact Year 3 (Q9). Condition Precedent as per Compact Annex I-11: "Prior to disbursement of MCC Funding to implement the Activity on additional islands, the Government shall have completed the activity on Sal island, to a degree satisfactory to MCC, and any modifications to the implementation approach for remaining islands agreed shall have been agreed among MCC, the Government and MCA-Cape Verde II".

Annex III:
Modifications to Compact
Annex II and Summary
Guidance for Modifications to
Monitoring and Evaluation
Plans

Summary Guidance for Modifications to the Monitoring and Evaluation Plan

As per Section 4.2 (Modifying Monitoring and Evaluation Plans) of the MCC “Policy for Monitoring and Evaluation of Compacts and Threshold Programs”, Final Version, dated May 1, 2012:

“M&E Plans will be revised as needed during the life of the Compact to adjust to changes in the Program’s design and to incorporate lessons learned for improved performance monitoring and measurement. The M&E Plan may be modified or amended without amending the Compact. However, any such modification or amendment of the M&E Plan by the MCA must be approved by MCC in writing and must be otherwise consistent with the requirements of the Compact and any relevant Supplemental Agreements.” (pp. 11)

Modifying Indicators

Indicators can be modified under the following circumstances: a) a new indicator may be added, b) an existing indicator may be removed and c) a descriptive quality of an existing indicator may be changed such as the definition, primary data source, frequency of reporting, et. al.

Adding Indicators

Indicators may be added only for the following reasons: 1) change to the program, project or activity scope that results in a new indicator being relevant, 2) recalculation of the ERR such that a new indicator is now relevant (i.e., a new benefit stream has been added), 3) existing indicators do not sufficiently meet the “adequacy” criteria for indicators (i.e., taken together, the existing indicators are insufficient to adequately measure progress towards results), 4) new issues emerge, such as those related to gender, suggesting the importance of a new indicator, 5) MCC requires that a new common indicator be used for measurement across all projects of a certain type, 6) the unit of measurement of an indicator is changed, and 7) all new or changed indicators should comply with the criteria for Selecting Indicators found in Section 4.1.6. of the MCC May 2012 M&E Policy.

Removing Indicators

Indicators may be removed only for the following reasons: 1) changes to the program, project or activity scope that render the indicator irrelevant, 2) recalculation of the ERR such that the original indicator is no longer relevant (i.e., no longer in the benefit stream or assumptions), 3) the cost of collecting the data for the indicator outweighs its usefulness (cost in terms of time and/or money), 4) the indicator’s quality is determined to be poorer than initially thought when the indicator was selected for inclusion in the plan and 5) an indicator has been added which is deemed to be a superior way of measuring the same variable.

Modifying Baselines

Baselines may be modified only for the following reasons: 1) new, credible information emerges on existing variables or new variables, activity scope and 3) corrections to erroneous data.

Modifying Targets

“Process Targets” may be modified when the compact work plan is updated; however, modifications to these indicators should be kept to a minimum.

“Goal Targets”, “Outcome Targets” and “Output Targets” will be modified only as follows:

1) “Interim Target” modifications are permitted provided the end-of-compact target does not change.

2) “End-of-Compact Target” modifications are permitted as follows:

a) “End-of-Compact Targets” linked to ERR: the modified targets will be analyzed by MCC to assess whether they maintain the integrity of the original ERR; if the new ERR is below the hurdle rate, the modified targets must be approved by MCC.

b) “End-of-Compact Targets” not linked to ERR: may only be modified under the following circumstances: (i) changes in baseline, (ii) changes to the program, project or activity scope, (iii) occurrence of exogenous factors and (iv) corrections to erroneous data.

Modifying Beneficiary Numbers

Changes in beneficiary numbers must be approved by MCC. Beneficiary numbers in the M&E Plan may only be modified under the following circumstances: 1) changes in baseline, 2) changes to the program, project or activity scope, 3) corrections to erroneous data and 4) occurrence of exogenous factors. An exogenous factor is an autonomous factor that is external to the MCC and country government’s control; e.g., natural disasters and political turmoil.

Other Modifications

Sections of the M&E Plan other than indicators, baselines, targets and beneficiary numbers will be updated over time as needed. These types of modifications include, but are not limited to changes to responsibilities for data collection, or modifications to an evaluation plan.

Timing and Frequency of Reviews and Modifications

M&E Plans may be reviewed and modified at any time. M&E Plans will be kept up-to-date and must be updated after a Modification to the compact has been approved by MCC. In some cases, MCC may condition disbursement of compact funding on M&E Plans being kept up-to-date. Many countries choose to review the M&E Plan annually during the annual work planning process.

Documenting Modifications

Justification for adding an indicator, removing an indicator or modifying an indicator, baseline or target, modifying beneficiary information or major adjustments to the evaluation plan must be adequately documented in English as an annex to the revised M&E Plan by MCA.

MCAs must use the standard modification template provided by MCC for documenting these modifications. Standard change justifications include: 1) add indicator, 2) remove indicator, 3) modify indicator definition, 4) modify indicator level, 5) modify indicator unit of measurement, 6) modify indicator disaggregation, 7) modify indicator primary data source, 8) modify indicator responsible party, 9) modify indicator frequency of reporting, 10) modify indicator baseline and 11) modify indicator target.

Approval and Peer Review of M&E Plan Modifications

All M&E Plan modifications made by the MCA must be submitted to MCC for formal approval. The M&E Plan may undergo peer review within MCC before the beginning of the formal approval process. Before requesting MCC approval, changes to the M&E Plan must be sent to the MCA Board of Directors for approval if they are considered substantial, as determined by MCA.

Refer to Annex III (Modifications Table) for modifications to the performance indicators of the Water and Sanitation and Hygiene Project and Land Management for Investment Project.

Cape Verde II: WASH and LAND PROJECT								
Annex III: Modifications to the Monitoring and Evaluation Plan								
Sequential Modification Number	Owner of Change (MCC/MCA)	Date ((DD/MMM/YY)	Related Project or Activity	Indicator or Evaluation name	Standard Change Justification	Long Form Change Justification	Specification of Modification Deployed	
							Prior to Modification	Modified
1	MCA	13-11-2012	Project WASH; Activity 2: Utility Reform	Client satisfaction with supply reliability	Modify indicator definition	Municipal water supply companies (SAAS) do not maintain administrative records of customer complaints. Accordingly, it is not possible to report on the indicator as stated/defined in Compact Annex III.	Total number of water and waste water complaints per year expressed as a percentage of the total number of water and waste water connections disaggregated by income quartile.	Percent of population that are either "very dissatisfied" or "dissatisfied" with water reliability.
2	MCA	13-11-2012	Project WASH; Activity 2: Utility Reform	Client satisfaction with water quality	Modify indicator definition	There is no record of complaints by customers in the public companies of water supply (SAAS), so it is not feasible to report on this indicator as it is defined in Annex III of the compact.	Total number of water and waste water complaints per year expressed as a percentage of the total number of water and waste water connections disaggregated by income quartile.	Percent of population that are either "very dissatisfied" or "dissatisfied" with water quality".
3	MCA	13-11-2012	Project LAND; Activity 2: Utility Reform	Percentage change in time for property transactions	Modify indicator disaggregation	The level of disaggregation was modified to reflect greater precision regarding the categories of land transactions to be monitored (First-time Registration/ Transfers) on intervention islands of high tourism investment potential (Sal, São Vicente, Boa Vista and Maio).	Elapsed time from initiation to completion of a formal property transaction disaggregated by island	Disaggregation: First-time Registration/Transfers.
4	MCA	14-11-2012	Project LAND; Activity 1: Legal and Institutional Foundations Activity	Percentage change in cost for property transactions	Modify indicator disaggregation	The level of disaggregation was modified to reflect greater precision regarding the categories of land transactions to be monitored (First-time Registration/ Transfers) on intervention islands of high tourism investment potential (Sal, São Vicente, Boa Vista and Maio).	Costs to conduct a formal property transaction disaggregated by island.	Disaggregation: First-time Registration/Transfers.
5	MCA	15-11-2012	Project LAND; Activity 1: Rights and Boundaries Activity	Parcels corrected or incorporated in land system	Modify indicator disaggregation	The level of disaggregation was modified to reflect greater precision regarding a) the categories of land transactions to be monitored (First-time Registration/ Transfers), b) an Urban/Rural classification of land and c) intervention islands of high tourism investment potential (Sal, São Vicente, Boa Vista and Maio).	Parcels incorporated are those with boundaries identified and conclusive rights confirmed or newly registered, disaggregated by island.	Disaggregation: (A) Intervention island(s) of high tourism investment potential; (B) Urban/Rural

Annex IV:
Detailed Project Logic for the
Water, Sanitation and Hygiene
Project

Activity 1. National, Institutional and Regulatory Reform

PROCESS		Sub-Activities	OUTPUTS		OUTCOMES		INTERMEDIATE OUTCOMES		LONGTERM OUTCOMES		COMPACT GOAL				
Result Statement	Indicators		Result Statement	Indicators	Result Statement	Indicators	Result Statement	Indicators	Description	Indicators	Description	Indicators			
Finance technical assistance, feasibility and design activities	CNAS and ANAS created	1.1 Improve Allocation of Resources, Planning and Coordination	Improved medium to long term policy and resource planning	Strategic Master Plan ratified and published (including identification of policy agenda for Compact)	Improved and sustainable management of WASH assets and resource allocation amongst competing users	Annual compliance on investments outlined in the Strategic Master Plan	Improved and sustainable management of WASH assets	Average utilization of key assets	Decrease prevalence of water-borne diseases	National *Percentage of HH members with diarrhea in last two weeks*	National GDP per capita				
	CNAS and ANAS operational			Strategic Environmental and Social Assessment approved and published								Additional investment in the sector	Increased national access to clean, affordable water and sanitation services	*Percentage of national population with access to improved drinking water source	
				CNAS fully functional								Number of utilities corporatized		*Percentage national population with access to improved sanitation facility	
	CNAS and ANAS operational	1.3 Water Quality Standards and Environmental Oversight	Creation and application of uniform water quality and environmental standards	Water quality standards legally decreed and published by relevant institutions	Improved control and management of water quality	Number of discharge licenses	Increased consumption of water resources	*Average Commercial/Industrial/Institutional Water Consumption*							
				Number of persons trained				*Average Residential Water Consumption*							
	Value of technical assistance, feasibility/design contract (\$)*	1.1 Improved Allocation of Resources, Planning and Coordination	Increased regulatory and management capacity of sector institutions	ANAS fully functional	Core functionalities of institutions in place	TBD based on Institutional Design Study and Technical Assistance Contract	Improved quality of water and environmental management of water resources	Percentage of regulated entities meeting environmental standards							
				Number of persons trained				Change in aquifers quality status							
	Value of technical assistance, feasibility/design contract disbursed (\$)*	1.2 Support Transparent and Fair Tariff Setting	Improve cost recovery of tariff	MMU Economic Viability Study approved (including definition of policy agenda for Compact)	Fair and Transparent Tariff Setting	Cost recovery	Reduced implicit subsidies in the sector - cost effective provision of services initiated	Value of implicit subsidy (hidden cost calculator)							
				New pro-poor tariff and cost of service based mechanism by rate class approved				Value of Agriculture water subsidy							
		1.1 Improved Allocation of Resources, Planning and Coordination	Improved WASH Knowledge and Attitudes	TBD based on contract	Improved WASH Knowledge and Attitudes	Percentage of individuals adopting improved WASH behaviors and practices									
												Government resources released for productive use including incremental public investment	Central budget "productive" and "unproductive" spending	Poverty Reduction and Economic Growth	National Poverty Incidence

Note: National level Activity 1. focuses on financial management and operational and cost efficiency of utilities nation-wide. Activity 2 is linked and contingent on progress on Activity 1. Impact and Goal indicators should be harmonized for both act activities, however, Activity 1 is representative at the National level, and Activity 2 is representative at the level of Santiago island. Indicators in with asterix are Common Indicators

 Denotes that the item is a Condition Precedent in the Compact Agreement.

Activity 2. Utility Reform

PROCESS		Sub-Activities	OUTPUTS		OUTCOMES		INTERMEDIATE OUTCOMES		LONG TERM OUTCOMES		COMPACT GOAL		
Result Statement	Indicators		Result Statement	Indicators	Result Statement	Indicators	Result Statement	Indicators	Result Statement	Indicators	Result Statement	Indicators	
Finance technical assistance, feasibility and design activities	MOU on SAAS transition signed	1.1 Encourage Corporatization of Utilities and 1.2 Strengthen Management and Planning	Strengthen Management and Planning of Santiago MMUs	MMU fully functional	Improved financial autonomy, transparency and cost of service	Average recovery price of water	Improve and expand water and sanitation service coverage	Number of Commercial/Industrial /Institutional customers	Decrease prevalence of water-borne diseases	*Percentage of HH members with diarrhea in last two weeks*	Santiago GDP growth rate (%)	Poverty Reduction and Economic Growth	
	MMU statue passed and key staff hired (linked to Activity 1)			Business plan created	Annual budgets and subsidies published	Number of residential customers							
	Initial equity contributions meet operations and working capital needs			Utility capital improvement master plan approved	Operating cost coverage								Number of sanitation customers
	NRW Study Completed			Social and Community Liaison Unit Established	*Continuity of Service*								
	Immediate Needs Assessment Study Completed			Environmental Unit Established	Improved reliability and quality of network water delivery	Objective Measure of Water Quality							
	Value of technical assistance, feasibility/design contract*	1.2 Strengthen Management and Planning of Aguas de Santiago	Technical Assistance for Utility	TBD based on Technical Assistance contract and Design of Utility (MMU) Start-up and Set-up Plan	Operational efficiency of Aguas de Santiago Strengthened	Collection Ratio	Increased access to improved drinking water sources and sanitation in Santiago	Percentage of Santiago population with access to improved drinking water source	Household cost of water needs				
										Staff per 1,000 connections			Percentage Santiago population with access to improved sanitation facility
	Value of technical assistance, feasibility/design contract disbursed*	1.3 Reduction of Commercial Losses in Santiago	Non Revenue Water Projects	TBD based on NRW Study	Improved WASH Knowledge and Attitudes	Percentage of individuals adopting improved WASH behaviors and practices	*Average residential network water consumption	Average unit price of water consumed for households by network and non network					
									Improved WASH Knowledge and Attitudes	TBD based on contract			Improved WASH Knowledge and Attitudes
	1.2 Strengthen Management and Planning	Improved WASH Knowledge and Attitudes	TBD based on contract	Improved perceptions of reliability and quality of network water delivery	Client satisfaction with water supply reliability	Average residential consumption of non-network water							
							Client satisfaction with water quality						

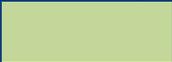
Note: National level Activity 1. focuses on financial management and operational and cost efficiency of utilities nation-wide. Activity 2 is linked and contingent on progress on Activity 1. Impact and Goal indicators should be harmonized for both act activities, however, Activity 1 is representative at the National level, and Activity 2 is representative at the level of Santiago.

 Denotes a Conditions precedent from the Compact Agreement

Activity 3. Infrastructure Grant Facility

PROCESS		OUTPUTS		OUTCOMES		INTERMEDIATE OUTCOMES		LONGTERM OUTCOMES		COMPACT GOAL	
Result Statement	Indicators	Result Statement	Indicators	Result Statement	Indicators	Result Statement	Indicators	Result Statement	Indicators	Result Statement	Indicators
IGF Design and Start Up	Facility Operational Procedures established (Conditions Precedent)	Facility Operationalized	Average ERR of projects financed by facility	Promote critical policy milestones and reforms at the National level	Percent of facility funds targeting for poor and female headed households	Reduced cost of water services by delivery	Average recovery price of water	Decrease prevalence of water-borne diseases	*Percentage of HH members with diarrhea in last two weeks*	Poverty Reduction and Economic Growth	Poverty incidence
	Endorsement of Rapid National Master Plan for Water and Sanitation (Conditions Precedent)		Number of studies completed by water and sanitation	MMUs adopt commercial priorities and improve investment planning	Number of utilities meeting facility criteria	Increased access to improved drinking water sources and sanitation in Santiago	Time spent fetching water from home in last week				
	ANAS created (Conditions Precedent, linked to Activity 1)						Number of projects financed by typed				
	New pro-poor tariff and cost of service based mechanism by rate class approved (Conditions Precedent, linked to Activity 1)		Kms of lines constructed and rehabilitated by sanitation or water, off and on-network	Number of sanitation customers	Number of residential customers						
	Number of project applications received by type					Number of projects financed by type	Non Revenue Water				
	Value of facility disbursed by type	Transparent and Autonomous Management of Facility	Quarterly publication of project information on web and other means	Increased water consumption	*Average residential network water consumption*						
	GoCV matching contribution					Average consumption tanker water					

Note: National level Activity 1. focuses on financial management and operational and cost efficiency of utilities nation-wide. Activity 3 is linked and contingent on progress on Activity 1. Impact and Goal indicators should be harmonized for both act activities, however, Activity 1 is representative at the National level, and Activity 2 is representative at the level of specific interventions.

 Denotes Conditions Precedent from the Compact Agreement

Annex V:
Detailed Project Logic for the
Land Management for
Investment Project

LAND MANAGEMENT FOR INVESTMENT PROJECT LOGIC

PROCESS	Activities	OUTPUTS		OUTCOMES		IMPACTS		COMPACT GOAL			
Milestones		Result Statement	Indicators	Result Statement	Indicators	Result Statement	Indicators	Result Statement	Indicators		
Operations Manual for property rights acquisition and registration completed Field Operations Manual Decreed (Conditions Precedent)	Activity 1. Legal and Institutional Foundations Activity	New or revised laws, regulation or procedures for land management implemented	*Legal and Regulatory reforms adopted*	Reduce Time and Cost for Establishing Secure Property Rights	*Percent change in time for property transactions*	Cost Savings	*Percent change in time for property transactions*	Poverty Reduction through Economic Growth	GDP per capita		
					Percentage change in cost for property transaction		*Percentage change in cost for property transaction*				
Data access and manipulation protocols for land information and transaction system developed		New Integrated Land Information and Transaction System Implemented	*Land administration offices established or upgraded*		Frequency of Property Transactions at MoJ	Increased Investment in Land and Value of Property	Average land property values per sq. meter				
Registry and notary procedures manual developed		*Stakeholders Trained*	Operating cost coverage		Average annual investment in household improvements and assets						
Paper land records digitized (Ministry of Justice and Municipal)											
Legal text approving revised fee structure											
Test of fieldwork methodology in Sal		Activity 2. Rights and Boundaries Activity	Parcel Rights and Boundaries Clarified in Islands of High Investment Potential	*Parcels corrected or incorporated in land system*	More Conclusive Land Rights and Boundary Information in Islands of High Investment Potential	Percent of targeted surface area or territory incorporated into the the new system	Increased Investments in Tourism and Associated Value Added			Trend in bed capacity	Average household income
Sal Fieldwork Completed (Conditions Precedent)				*Household land rights formalized through project*						Trend in bed nights	
Roll out to other islands (as of year 3)			Strengthened Land Dispute Resolution Mechanisms	*Conflicts successfully mediated*						Tourism Value Added	
										Number of ancillary tourism businesses	
	Foreign Direct Investment by island										
	Domestic Direct Investment										
	Employment in tourism and construction										

All indicators should be disaggregated by Sal, Boavista, Maio, Sao Vicente. Issues of gender disaggregation as well as poverty / income levels need to be explored further

Indicators with star denote common indicator

Indicates a Compact Conditions Precedent