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*Assessing the transaction costs and benefits of livelihood projects in Madagascar*

Co-authors: James L. MacKinnon, consultant; Andoniaina Rambeloson, Conservation International Madagascar; Luciano Andriamaro, Conservation International Madagascar; Mialy Razafindrazakaso, Conservation International Madagascar; Jeannicq Randrianarisoa, Conservation International Madagascar; Andriambolantsoa Rasolohery, Conservation International Madagascar; Michael Christie, University of Aberystwth; Eva Siwicka, University of Aberystwth

Development and conservation organizations are using a variety of approaches to implement small projects (referred to as microprojects in our paper) intended to improve social and economic conditions in rural villages, yet little is known about the relative costs and benefits of different types of projects or different modes of project delivery. For example, in some cases, large donor or government-led programs create large program structures with staff and equipment that are then able to directly implement microprojects. Alternatively, funding may be provided directly to community groups in the form of grants and responsibility for implementing the microproject lies with the recipients of the grant. Conservation organizations sometimes partner with other organizations or companies that have more specialist expertise in rural development and thus deliver microprojects through intermediaries. In addition to these differences in the way projects are delivered, the types of livelihood projects also varies, with some projects focusing on improving livelihoods by providing support to smallholder agriculture, others focusing on livestock production, and yet others focusing on beekeeping or fish farming, to name just a few. Both the transaction costs and also the benefits provided to local people are likely to vary greatly across project types and modes of implementation, yet there is surprisingly little information about the costs and benefits of different approaches in published literature. This lack of information makes it difficult to identify which types of projects or modes of project delivery are most cost-effective and most likely to deliver the desired livelihood benefits to rural communities. In order to better understand the relative costs and benefits of different types of microprojects and different project approaches, we have compiled a unique database of >500 microproject activities conducted in the Ankeniheny-Zahamena Corridor in eastern Madagascar from 2006 to 2014, with information on project activities and related transaction costs. We are also completing surveys of >400 project beneficiaries to understand the perceived benefits from different types of projects. In this talk, we will a) characterize the overall types of microprojects delivered and modes of delivery, thereby providing an overview of the types of investments being made in rural landscapes by conservation and development organizations; b) compare the transaction costs of 4 types of microprojects (small-scale agriculture, fish production, beekeeping and small livestock production and 4 different modes of project delivery; and c) share preliminary data on local perceptions of the benefits associated with different project types. To our knowledge, our study is one of the first to examine the costs and benefits of such a large number of projects conducted in a single landscape, and to compare across the relative costs/benefits of different modes of project delivery. In addition to providing insights on the specific microprojects and modes of delivery, our study also provides valuable insights into the numerous methodological challenges posed by compiling both technical information and cost data across different projects, organizations, and different accounting and reporting systems.