AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND

MADAGASCAR

LONG-TERM STRATEGY CONSULTATION MEETING

3rd April, 2012
The summary below captures the main points that were discussed during the Madagascar national consultation meeting in Antananarivo, and is not intended to be a detailed set of minutes for the meeting. The comments have been summarized along the following thematic areas: (i) Context and drivers of change; (ii) Vision for Africa for the next decade; (iii) Operational focus for the Bank; (iv) Financing; and (v) Institutional reform.

1. CONTEXT AND DRIVERS OF CHANGE

Context

- Africa is presently enjoying high and unprecedented economic growth of approximately 5% continental-wide. Further, much progress has been in meeting MDGs and improving governance structures in certain RMCs. Nevertheless, the lessons of the Arab Spring serve as timely reminder of the importance of the trinity of inclusive growth, poverty reduction, and job creation.

Drivers of change

- Populations (not only youths), including civil society actors;
- Use of traditional approaches and know-how;
- Civic education reforms;
- Adequate vocational training initiatives;
- The development of human capital (through health and educational reforms);
- Effective public institutions;
- Valuing achievements, notably in research and development;
- Skills transfers;
- The sustainable use and exploitation of natural and land resources;
- The opening of markets, and regional integration initiatives;
- Strengthening PPP partenariats;
- Developing local entrepreneurs, notably in agriculture; and
- The gathering, collating and dissemination of reliable statistical data.

2. VISION FOR AFRICA FOR THE NEXT DECADE

- An Africa that is stable, integrated, prosperous, globally competitive, diversified, and on good course to meet its development objectives through sustainable growth.
- An Africa that meets and is in sync with the objectives of the African Union.
3. OPERATIONAL FOCUS OF THE BANK

- **Private sector**: the Bank's private sector operations are presently geared towards large foreign investment initiatives. It is hoped moving forward that the Bank will engage more fully with capacity building initiatives (leading to the creation and support of trade associations and labor unions, and through trade-advisory services in the course of international negotiations), and tailor instruments to local MSMEs.

- **Infrastructure**: the Bank’s support to infrastructure projects in rural areas is appreciated. Nevertheless, it is hoped moving forward that the Bank will extend this support to urban centers. To further increase the impact of national road rehabilitation initiatives on poverty reduction, the rehabilitation of railways should also be considered.

- **Governance**: the Bank’s work in governance is critically important, notably in relation to the formulation of good governance tools and indicators, tailored to a decentralized context where required.

- **Skills and jobs-creation**: the Bank should ramp up its literacy, education and research initiatives. In so doing, the Bank should promote the employment of women and youths, in white and blue color job markets.

- **Policies and strategies conducive to inclusive growth**: the Bank must ensure that all stakeholders are involved in the formulation of national policies and strategies, in addition to promoting good governance and management of results.

- **Green growth and climate change**: the Bank should prioritize reforestation, with particular attention paid to commercial species; mitigate against deforestation through the protection of natural resources; sensitize the public on the importance of green growth and renewable energy sources; and promote ecotourism. The Bank should also help Africa to draw a continental-wide consensus on issues relating to climate change, and in this respect establish a special fund for financing measures for mitigation and adaptation; and another fund dedicated to renewable energies.

4. FINANCING

- As an African institution the Bank should always consider the individual and collective contexts that RMCs find themselves in, when formulating project proposals to RMCs. In so doing, the Bank should avoid systematically matching bids from other IFIs that RMCs solicit for funds. The Bank should consider supporting local and regional banks and guaranteed fund mechanisms, who can in turn offer concessional lending terms to local MSMEs.

5. INSTITUTIONAL REFORM

- **The Bank’s work-ethic**: the Bank should improve internal processes, in order to better and more rapidly mobilize and disburse monies. To improve internal processes, the Bank should improve communications channels, to heighten its visibility of its interventions in RMCs. With respect to projects, it is hoped that the Bank will put in place an effective system to evaluate and monitor project achievements, particularly at the end of a project’s lifecycle.
• **Private sector development:** moving forward, the Bank should formulate and consolidate a tripartite relationship between itself, the State and private sector actors at the operational level, in conjunction with trade associations and labor unions. In so doing, the Bank may wish to consider creating a wholly autonomous private sector unit akin to the World Bank’s IFC.

• **The Bank as catalyzer and facilitator:** the Bank should better embrace its role as catalyzer and facilitator through development of knowledge products, by focusing its interventions on the following four pillars: social impact; environmental impact; economic viability; and sustainability.