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PROGRAMME PLANNING

Country and intercountry programmes and projects

FOURTH COUNTRY PROGRAMME FOR MADAGASCAR

Note by the Administrator

I. PROCESS OF THE PROGRAMMING EXERCISE

1. In March 1985, a review of the third country programme concluded that future United Nations Development Programme (UNDP) assistance should be concentrated on critical elements in the production systems of those key sectors possessing the highest potential for sustained recovery. Accordingly, the fourth programme represents a blend of ongoing projects which are complementary to a set of new activities that together reflect the concentrated and integrated approach agreed upon by the Government and UNDP.
2. The fourth country programme was prepared during the second half of 1986, following the Consultative Group meeting in Paris in April 1986. At this meeting, the international donor community endorsed the new Government strategy for economic and social development, liberalizing economic management through the progressive introduction of market elements in the agricultural, industrial and transport sectors. This strategy has been designed to carry the country out of the trough of the recession of the 1970s and the stagnation of the 1982-1986 economic stabilization phase onto a course of sustained and stable growth.
3. The principles guiding the formulation of this programme have their origin in the lessons learnt from the third programme, which contained an excessive number of projects and was encumbered by goals that were overly ambitious for the number of available international experts, as well as with regard to national institutional capabilities and budget allocations. In the fourth country programme, projects are

largely concentrated in the productive sectors of the National Development Plan and integrated along the lines of intra-sectoral linkages and inter-sectoral complementarities, with the necessary flexibility to allow for adjustments in the near or medium term.

4. The programme was formulated by the Directorate General of the Plan, an integral part of the Office of the President, which, in close collaboration with UNDP, designated the priority sectors and areas of concentration so as to reflect the various sectoral and institutional priorities. These were translated by the Resident Representative into responses of the total United Nations system. Whenever current operations were to be continued, albeit under reformulated objectives or activities, in-depth project evaluations were carried out jointly by the Government, the relevant Executing Agency and UNDP under the latter's chairmanship, thus creating a safer basis for the new project.

II. THE FOURTH COUNTRY PROGRAMME

5. The country programme has been integrated with three of the four investment priorities of the National Plan. These investment priorities are: (a) the attainment of food self-sufficiency by 1990; (b) the redynamization of export-oriented and import-substituting agricultural and industrial production systems and their ultimate profitability; (c) the rehabilitation of infrastructure and transport; and (d) a generally marked improvement in the standard of living. The total available IPF resources of \$37,582,000, distributed between 28 identified new projects (39 per cent of total resources) and 30 ongoing projects (23 per cent of total resources), as well as \$13.3 million allocated to programmed and unprogrammed reserves, have been allocated to four sectors of concentration:

(a) Improvements in economic management, including planning, project evaluation and control, aid co-ordination, agricultural census: 13.3 per cent of total resources;

(b) Increased production and productivity in agriculture and fisheries, including pilot projects in a variety of production systems, such as agroforestry, integrated rural development, rice-fish-culture, selected cash crops, and strategic support for rural development, watershed management, irrigation and fisheries organization: 44 per cent of total resources;

(c) Rehabilitation and increased profitability of industrial production, including preinvestment studies, technical training, industrial maintenance, local building materials, the promotion of wood-related industries, standardization, packaging and conditioning, with special emphasis on small- and medium-scale enterprises: 17.3 per cent of total resources;

(d) Improvements in selected basic social services, including rural water supply, basic health and sanitation, educational planning, and basic initiatives including labour-intensive communal projects: 10 per cent of total resources.

The remaining 14.8 per cent of total available IPF resources cover the funds needed to complete projects unrelated to the objectives of this programme (4.2 per cent) and \$4 million for an unprogrammed reserve.

6. Besides the particular attention paid to the active exploitation of intra-sectoral and inter-sectoral linkages between projects, the most notable feature of the programme is the involvement in the management of economic development in co-operation with the World Bank, as executing agency, in central project evaluation on the one hand and external aid management on the other. Both will be integrated into the General Directorate of the Plan, which will, as appropriate, address the problem of technical assistance needs by initiating a series of analyses with special UNDP assistance, most likely channelled through the Malagasy Institute for Planning Techniques in co-operation with the Netherlands' Institute of Social Studies. The participation of UNDP with the relevant Government authority in the co-ordination of all development planning and action constitutes an important factor in the overall management of the programme.

III. MANAGEMENT OF THE COUNTRY PROGRAMME

7. The counterpart ministry in Madagascar for UNDP is the Directorate General of the Plan, in its role as co-ordinating agency of the Government. Frequent and regular contacts between the Resident Representative and the Directorate General ensure that the day-to-day working relations between UNDP, the United Nations agency representations, and the sectoral Government ministries are so co-ordinated as to achieve the programme objectives most efficiently.

8. During the last two years of the third cycle, joint in-depth tripartite project evaluations under UNDP leadership proved to be an excellent management tool for assessing project relevance and was instrumental in their eventual reorientation. This practice will be continued and improved in the fourth country programme. The envisaged sectoral analyses of technical assistance needs will provide further basic information for programme management and, it is hoped, will bring about increasing co-ordination also with multilateral and bilateral donors outside the United Nations system.

IV. RECOMMENDATION OF THE ADMINISTRATOR

9. The Administrator recommends that the Governing Council approve the fourth country programme for Madagascar.

