



# United Nations Public-Private Alliance for Rural Development Madagascar: Preliminary Review

**“Stimulating the private sector is one of the government’s main aims, to boost productivity, diversify exports, and attract investment.”**

- David Rajaon,  
Former Minister of Private Sector Development  
Chief of Staff to the President

## Table of Contents

<b>Chapter 1: Investment Overview</b>	2
Country and People:	2
Government:	2
Market Size and Access:	3
Financial Sector:	4
Human Resources:	4
Private Sector Overview:	5
Promising Sectors:	6
<b>Chapter 2: Madagascar in Figures</b>	9
UNCTAD Report, 2002:	9
Export Portfolio:	11
Specialization Index:	12
Top Trade Commodities:	13
<b>Chapter 3: Win-Win Situations</b>	14
Annex A: Relevant Programmes	16
Annex B: Summary Information on Entities of the United Nations System:	19



Map 16. UNCTAD. UNITED NATIONS, March 2001. Department of Public Information, Cartographic Section



# Chapter 1: Investment Overview

## Country and People:

Madagascar has a total land-mass of 587,000 square kilometers, with 117,000 square kilometers of forests. It is made up of a highland plateau, surrounded by a narrow coastal strip. The climate is generally tropical along the coast, temperate inland, and arid towards the south. Though arable land accounts for only 4.41% of the total land-mass of the country, Madagascar is rich in natural resources and geographically diverse. Additionally, Madagascar is the fourth largest island in the world, and its strategic location along the Mozambique Channel presents a unique opportunity for limited-risk development investment.

As of 2001, Madagascar had a total population of about 16 Million persons, growing at an annual rate of 2.8%. The average life expectancy is 55.1 years despite the relatively low prevalence of HIV/AIDS (.2%). Adult literacy is relatively high, around 88%.

The inhabitants of Madagascar fall mainly into two groups: those of Malayo-Indonesian descent, and those of principally African descent. Over 50% of people follow traditional religious beliefs; the rest are largely Christian (40%) and Muslim (7%). The primary languages of Madagascar are Malagasy and French.

## Government:

The Republic of Madagascar is divided into 6 provinces: Antananarivo, Antsiranana, Fianarantsoa, Mahajanga, Toamasina, and Toiliara. Its legal system is based on the French civil law system and on traditional Malagasy law. The executive branch headed by President Marc Ravalomanana, the 160 seat National Assembly, and the Supreme Court provide the backbone of Madagascar's government.

Years of political stability in Madagascar were followed by disaster in early 2002 after

the long-serving president Didier Ratsiraka refused to accede power to incumbent Marc Ravalomanana. For a short time, both parties claimed control over the government, and economic productivity plummeted. Over time, however, Ravalomanana's claims of election fraud were validated by the international community, and he assumed the presidency of Madagascar with significant international support and promises to help rebuild the country.

Despite this turbulence, the IMF projects a strong rebound in exports (increase by 56% in 2003) and a steady recovery of the economy.<sup>1</sup> Similarly, now that the crisis has concluded, the government is committed to restarting the development process. To this end, the I.M.F. reports: "The program was interrupted by a serious political crisis in 2002, which was triggered by the presidential elections of December 2001 and led to a serious economic setback and an increase in poverty. However, the new government began a recovery effort, with a view to making up for the delays in program implementation. It endeavored to restore the confidence of economic agents and the users of public services, and to lay the groundwork for sustainable development that will produce a significant reduction in poverty. Moreover, the government strengthened the consultation and participation framework so as to enhance program ownership."

According to the Economist Intelligence Unit report on Madagascar, "The president, Marc Ravalomanana, has a broad basis of popular support and will make progress with his agenda for reform."<sup>2</sup> In addition to relative political stability, the new government of Madagascar places strong emphasis on working with the private sector towards sustainable economic development.

The IMF reports: "The government recognizes that it is essential to preserve the competitiveness of Madagascar's exports and to re-

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<sup>1</sup> "Madagascar: Third Review Under the Poverty Reduction and Growth Facility," African Department, International Monetary Fund. June 11, 2003.

<sup>2</sup> "Country Report: Madagascar," Economist Intelligence Unit, June 2003.

<b>Table: Statistics<sup>7</sup></b>	<b>1997</b>	<b>2000</b>	<b>2001</b>
GDP (current \$, Billions)	3.50	3.90	4.60
GDP growth (annual %)	3.70	4.80	6.00
Value added in Agriculture (% GDP)	31.50	29.10	29.80
Value added in Industry (% GDP)	13.40	14.50	14.50
Value added in Services (% GDP)	55.00	56.40	55.70
Consumer Price Inflation (av; %)	not avail.	11.80	8.50

store Madagascar's reputation as a country that welcomes foreign investment. To give the country a sustainable competitive advantage, the government will implement a strategy aimed at (i) reducing transaction costs of foreign trade, which are high owing to the inadequate industrial infrastructure and the dysfunctional nature of customs administration; (ii) broaden the range of exports through diversification and integration; (iii) facilitate access to industrial land and manufacturing facilities; and (iv) provide incentives to improve the quality of human resources. Moreover, to ensure that textile exports continue to benefit from the U.S. African Growth and Opportunity Act (AGOA), it will be necessary to restructure Madagascar's cotton sector... in particular by privatizing the major components of the supply chain while attracting strategic investors."<sup>3</sup>

The government of Madagascar, eager to achieve sustainable economic development, realizes the need to accommodate external investors, and will be very supportive throughout the investment process.

### **Market Size and Access:**

Madagascar, with a per-capita GDP of \$249 as of 2000, falls short of the averages for Eastern Africa (\$269) and Southern Africa (\$2,798).<sup>4</sup> Adjusted per-capita GDP has hovered around the same level for the past ten years, though some projections indicate that GDP growth will settle at a sustainable 6% per year by 2004, surpassing population growth

<sup>3</sup> IMF report, page 49.

<sup>4</sup> UN estimates of the per-capita GDP at current prices in US \$. United Nations Common Database.

and resulting in noticeable economic improvement.<sup>5</sup>

Madagascar's upper and middle class, with a purchasing power sufficient to buy sophisticated consumer goods, is small. Today, there are only 1.3 telephone lines and cellular subscribers per 100 population, though this number has more than quadrupled since 1995.<sup>6</sup>

In spite of its limited size, the Malagasy economy is growing and should be stable in the years to come. Investors are offered a dynamic, supportive market where responsible investment can result in sustainable benefits for all involved parties.

This dynamism in the local market is reinforced by various efforts to create a regional market in east and southern Africa. Madagascar has been playing an active role in various regional integration efforts. It is a member of the Common Market for Eastern and Southern African States (COMESA), a region with a market of over 300 million people from 20 countries that imports more than \$17 Billion worth of goods each year and exports over \$13 billion. Investors in COMESA countries enjoy preferential treatment for their inter-COMESA exports through reduced tariffs. Although regional integration in Africa has not yet reached levels comparable to those of other continents, (e.g. the EU, NAFTA or MERCOSUR), COMESA represents one of the more dynamic integration schemes in the continent. Moreover, Madagascar can reasonably be seen

<sup>5</sup> EIU report on Madagascar.

<sup>6</sup> "Telephone Lines and Cellular Subscribers per 100 Population," ITU Estimates, UNCD code 29968.

<sup>7</sup> United Nations Common Database, Economist Intelligence Unit.

as part of an emerging regional market in eastern and southern Africa. With direct access to the sea, Madagascar is well positioned to be a hub for regional and international trade.<sup>8</sup>

As for access to international markets, Madagascar – in part because of its status as a least developed country (LDC) – offers the prospective investor preferential access to the European Union and the United States for a number of exports. It is one of the African countries eligible for the benefits of the Africa Growth and Opportunity Act (AGOA). Under AGOA, products from Madagascar, including textiles, have preferential access to the United States market.

### **Financial Sector:**

Among the main obstacles to foreign investment in Madagascar is the lack of operating banks. However, in the past several years, the Central Bank of Madagascar (BCM) has increased its number of branches throughout Madagascar by 75%.<sup>9</sup> A quick comparison of the assets of the bank system over a 3-year period is illuminative upon this point. Between 1997 and 2000, the combined assets of Malagasy banks increased from approximately \$3.5 M to \$9.5 M USD.<sup>10</sup> This almost treble increase in assets has helped to stabilize the national banking system, and has done much to increase investor confidence in Madagascar.

One of the main problems that had plagued the Malagasy banking and investment system was a lack of required reporting laws and norms. However, in 2002, a chapter of Transparency International was founded in Madagascar. This organization represents a dramatic step forward in the way that foreign investors interact with Madagascar. Because of the transparency and reporting requirements that are not becoming part of the business

community, investors are able to make much better-informed investment decisions.

Corruption within the judicial system has been one of the main obstacles to foreign investment in Madagascar.<sup>11</sup> Laws have been introduced to set up independent regulatory bodies to monitor the judicial system and ensure proper prosecution of cases of fraud, but these laws are currently stalled, possibly due to the political turmoil in the country during the first half of 2002. Important steps have been taken to increase the fundamental nature of transparency and secure transactions. The United States Agency for International Development helped to create the first arbitration and mediation center in Madagascar, in March of 2001.<sup>12</sup> The mediation center trains Malagasy citizens and stakeholders in practices necessary to help ensure proper resolution of cases of fraud as well as increasing public and investor confidence in the Malagasy system.

Madagascar's presence as a member of COMESA has allowed Madagascar access to other African nations' experiences with development and foreign investment. Madagascar is using this information to create a more adaptable banking and currency system, mindful of the lessons of the past, reducing risk for foreign investors and those who would do business in Madagascar.<sup>13</sup>

### **Human Resources:**

The new generation of Malagasy workers, ages 15-24, exhibits a relatively high literacy rate of 82%, though this number is lower (about 70%) among adults.<sup>14</sup> These statistics indicate notable positive development of the work force. Despite Madagascar's status as a least developed country, the proportion of edu-

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<sup>8</sup> Information derived from March 2001 UN/ICC Joint Investment Guide to Uganda.

<sup>9</sup> USAID Report for Madagascar, March 2002

<sup>10</sup> Banque Central de Madagascar, 2000, on the COMESA website, [www.comesa.int/](http://www.comesa.int/)

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<sup>11</sup> *Madagascar: The Financial Sector at the Start of the 21<sup>st</sup> Century*, Consulting Assistance on Economic Reform II Reports, Harvard Institute for International Development, November 2000

<sup>12</sup> USAID Website for Madagascar, <http://www.usmission.mg/usaid/>

<sup>13</sup> COMESA Website, [www.comesa.int/](http://www.comesa.int/)

<sup>14</sup> United Nations Common Database, 2003.

cated persons surpasses the average for Sub-Saharan Africa.

New educational trends in Madagascar will hopefully help to alleviate a shortage of technicians and middle management within the workforce. Despite this problem, the country offers investors a vibrant, well-educated population base upon which to build new enterprise and work for mutual benefit.

Many proposals for investment in Sub-Saharan Africa have been stymied by economic repercussions of the HIV/AIDS crisis (some countries have prevalence rates as high as one-third of the population, resulting in understandable decreases in productivity). Luckily, Madagascar has not been as adversely affected by HIV/AIDS so far. The prevalence rate of .15-.3% is far lower than for most Sub Saharan African countries, resulting in a more stable, productive workforce.<sup>15</sup>

## **Private Sector Overview**

"Stimulating the private sector is one of the government's main aims, to boost productivity, diversify exports, and attract investment. For that to happen, there needs to be economic as well as political stability in Madagascar.

Chief of Staff to the President and former Minister of Private Sector Development, Industry, and Handicrafts, David Rajaon, identifies three main requirements: a balanced budget, a legislative framework favorable to investment, and access to finance. "On the government side, we have committed ourselves to good governance and transparency," he says. "For their part, companies must respect laws that are in force nationwide."

Changes have been made to make Madagascar a much more investor-friendly country. Procedures have been simplified, the terms available are more generous, and the development of free trade zones has made manufacturing for export an attractive proposition.

"We've improved supply-chain management, by removing barriers and bottlenecks," says Mr. Rajaon. "We also help producers, financially and technically, so they can export."

Though Europe, other Indian Ocean states, and southern Africa have tended to be Madagascar's main markets up until now, the government has high hopes for capturing a greater share of the U.S. market, thanks to the U.S. Africa Growth and Opportunity Act (AGOA). "Of the 250 or so companies in free trade zones, most are working in textiles, with AGOA in mind," says the former Minister of Trade, Alphonse Ralison. "But people are talking of up to 2,000 products that could benefit from AGOA."

Mr. Ralison, who himself has a private sector background, is an enthusiastic supporter of economic liberalization, which he believes will benefit both companies and consumers. "We have drawn up laws on competition, consumer rights, new chambers of commerce and so forth," he says.

Over the past five years, Madagascar's exports have received a huge boost from the expansion of the export-processing zone (EPZ), and foreign direct investment has been substantial.

However agriculture, including fishing and forestry, is the mainstay of the economy, producing more than 70 percent of export earnings. There is a need for diversification, and prospects for tourism, construction, and mining.

A number of large Malagasy companies that started out as family businesses have seized new opportunities for growth. The Trimeta Group, for example, spans a wide range of activities, from petroleum products (under the name Galana) to construction, packaging, hardware goods, and hotels.

Trimeta's co-Chairman, Ykbal Hiridjee, says the company has capitalized on AGOA by building factories and warehouses for export-oriented firms. It is also penetrating the U.S. market. "A lot of American companies are buying garments in Madagascar," says Mr. Hiridjee.

One of the big local players in the textile and garments industry is the Socota Group, but

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<sup>15</sup> UNAIDS Estimate, 2001.

Socota has also moved successfully into the food industry. All of its foodstuffs, such as shellfish, are exported, as are around three-quarters of its textile products.

Aquaculture has become big business in Madagascar over the past decade. One of the market leaders in the sector is Unima, which has developed a global reputation for gourmet shrimp.

Currently, most of Unima's export production goes to Europe. General Manager Amyn Ismail says the U.S. market is difficult to break into, as customers there like to buy their shrimp peeled.

"But we will lead our first assault on restaurants there, through chefs," he says. "We have chosen an importer who is the specialist in the field for the whole United States."<sup>16</sup>

### **Promising Sectors and Infrastructure:**

#### *Transport:*

Because of the rudimentary road conditions, air transport plays an important role in internal communications as well as internationally. In total, Madagascar has 57 airports for public transport. Recently, connections have been established with South Africa (twice per week).

Six international ports for ocean-going vessels and 12 ports for coastal vessels provide maritime links with the Indian Ocean countries and Europe. The principal ports are Toamasina (or Tamatave) and Mahajanaga (or Majunga). Coastal traffic is highly used in Madagascar to transport non perishable products. It links the secondary harbors (Nosy-Be, Antsiranana, Manakara, Fort-Dauphin...) to Toamasina where shipments are loaded onto an international cargo carrier.

The country also has two unconnected state-owned railway networks of more than 800 km, particularly vital for the transport of sup-

plies to the highlands. Railway transportation is ensured by a state-owned company Réseau National des Chemins de Fer Malagasy (RNCFM). The railway network is not very extensive and suffers regularly from landslides and cyclones.

Madagascar has a road network of about 25,500km of which nearly 5,500km is asphalt. The remainder is earth tracks. Road transport is the main means of transportation for Madagascar. Almost half of cars in the country are more than ten years old. A lot of second-hand cars are imported from France or Reunion. That trend should be maintained because of the very low purchase power in Madagascar. Road transportation is used for 40% of merchandise transportation and is the first means of agricultural products transportation. All linkages are possible and must be determined in collaboration with the carrier: as long as roads exist, trucks can achieve proximity to production fields.

#### *Tourism:*

The country possesses large tourist potentials: attractive landscapes, absolutely unique wildlife and flora, sites, monuments, parks and natural resources. With its original cultural potential, the country answers to two particular types of tourism: cultural tourism and ecological tourism. Furthermore, the government develops tourism policies favorable to investors to encourage the development of this sector.

With its unique flora and fauna and its 7000 kilometers of beaches, Madagascar has the ability to make tourism a pillar of its economy. Currently, this potential is considerably underexploited and the increase in both the number of tourists and the foreign exchange generated has been marginal between 1991 and 1996. In 1997, however, that sector grew by 22%.

Despite the opportunities available, there are many structural weaknesses in tourism, which must be corrected before it can really take off. So long as these conditions are not met, it seems ill-advised to build large ho-

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<sup>16</sup> Summit Communications Website, with information from Government of Madagascar.  
<http://www.summitreports.com>

tels of any category in Antananarivo or anywhere else. However, small units of about 50 rooms could advantageously be built in specific areas on the coast or close to Antananarivo for tourists as well as for holding conferences and seminars. The exact location must offer not only a nice beach or lake, but also interesting nearby ecological attractions, such as private or public natural reserves with reasonably good access roads.

#### *Mining and Energy.*

Madagascar's soil is very rich in precious metals, precious and semi—precious stones and minerals used for industry. These resources are mainly exploited by artisans and very few companies use leading edge transforming equipment. Since 1990 Madagascar has had a new liberal mining investment code.

Metals such as gold, platinum and silver, stones such as rubies, sapphires, emeralds, semi-precious stones such as garnet, opal and pink quartz and industrial minerals such as graphite, chromites, shale and talc are only some of the natural assets of Madagascar.

Madagascar is energy-deficient. Most of Madagascar's energy needs are met through wood-fuel and similar non-sustainable techniques which are accelerating the country's environmental degradation. All oil has to be imported, although the country exports some petroleum products after refining. The country has an oil refinery in the port of Tamatave. Nine companies have prospected for offshore oil, none with great success. There are seven hydroelectric stations which supply two-thirds of demand in electricity.

#### *Industry.*

Industry in Madagascar is still relatively modest; it accounts for only 15% of the GNP and 14% of total exports. The three main industries are agribusiness, wood and textile. But there have been for many years a number of other industrial activities, such as chemical

products, pharmaceutical products, petroleum (refining), metallurgical, building materials, clothing and shoes. New avenues for export have been opened up, mainly for silk, leather products, essential oils, ship maquettes, jewelry, and buttons.

The government of Madagascar highlighted opportunities in agri-business, the wood industry, textiles, leather and the building industry as being particularly promising in the years to come.

#### *Fishing.*

With its coasts 5,000km long, Madagascar abounds in undeniable fishing reserves. Considering the high quality and the abundance of these resources, fishery products are presently the largest foreign exchange earner. The most flourishing branches are prawn-fishing, tuna-fishing and fish breeding. The fishing grounds of Madagascar have great potential for development. Current uneven fishing techniques need to be reconsidered in order to preserve the equilibrium of marine life near the coast. The fishing sector will play a prominent role in the future by way of both coastal and deep sea fishery. One new technique being utilized is 'Aquaculture', or fish farming. Madagascar already has three main fish farms which have been remarkably successful.

#### *Animal Farming.*

The geographical, climatic and topographic advantages of Madagascar lend themselves exceptionally well to raising a great variety of animals. The farming of cattle, sheep and goats must be encouraged, in addition to crocodile farming, ostrich farming and deer farming.

#### *Agriculture.*

Madagascar has such a climate, quality and variety of soils that one may grow virtually anything anywhere on its territory. That explains the preponderance of agriculture, which

employs 70% of the work force. Main agricultural products include rice (40% of total value of agricultural products, using almost all irrigated land), fruits and vegetables, and medicinal plants / essential oils. The efficiency of rice

production is illustrative of Madagascar's potential: most farms yield between 1/8 and 1/10 of their potential (using current farming techniques).

*Further information is available from the Permanent Mission of Madagascar to the United Nations. They can be contacted by phone at 212.986.9491, or by fax at 212.986.6271*

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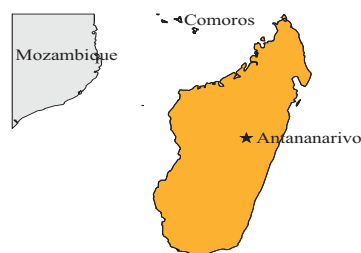
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# Madagascar



Area ('000 km <sup>2</sup> ):		587.0
Population (millions):	2001	16.4
Capital city:		Antananarivo
Official language:		Malagasy and English
Currency:		Malagasy franc
Exchange rate (period average):	2001	Mgfr6 492.6=\$1
GDP in current prices (millions of dollars):	2000	3 877.7
Exports of goods and services (millions of dollars):	2000	1 096.5
Imports of goods and services (millions of dollars):	2000	1 407.0
Official development assistance (millions of dollars):	2000	138.7
External debt (millions of dollars):	2000	4 701

## Inward FDI: geographical breakdown, by source

(Millions of dollars)

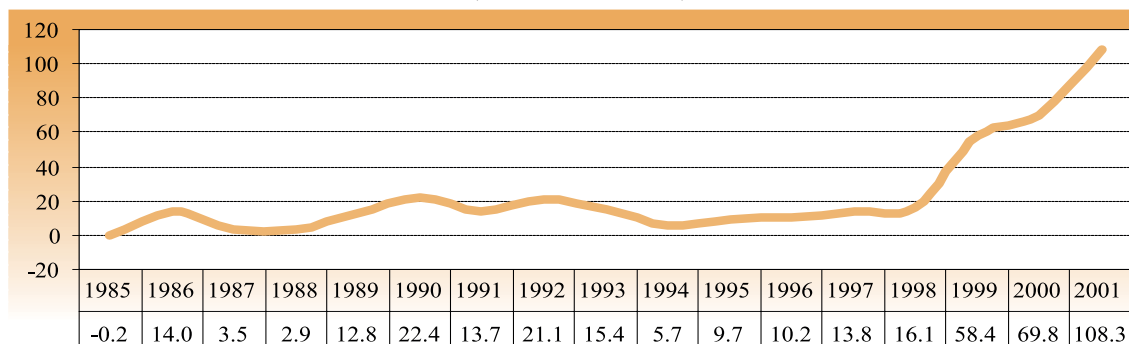
Region/economy	Inflows	Year	Inward stock	Year
<b>Developed economies</b>				
Belgium/Luxembourg	0.9	2000	..	..
France	1.1	1999	..	..
Germany	..	..	0.5	1986
Japan	1.9 <sup>a</sup>	1999	96.6 <sup>a</sup>	2000
United States	4.0	1991	4.0	1991
<b>Developing economies</b>				
China	0.4	1994	2.3 <sup>b</sup>	1995

<sup>a</sup> Approval/notified data.

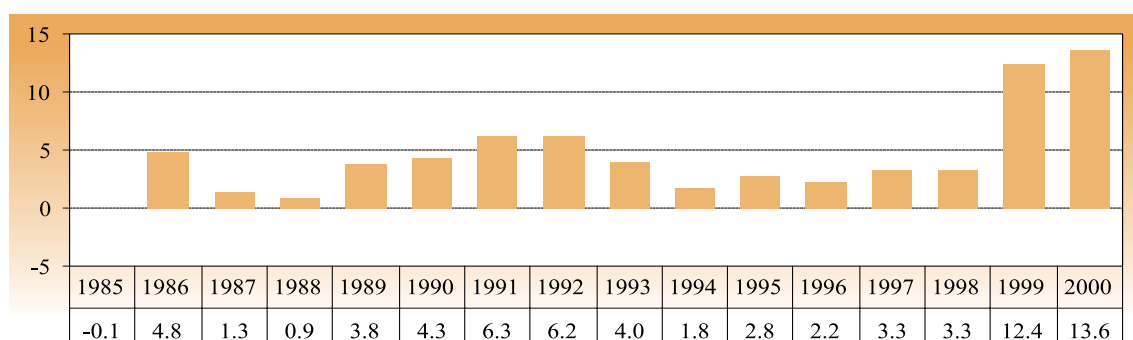
<sup>b</sup> Approval data.

## FDI inflows, 1985-2001

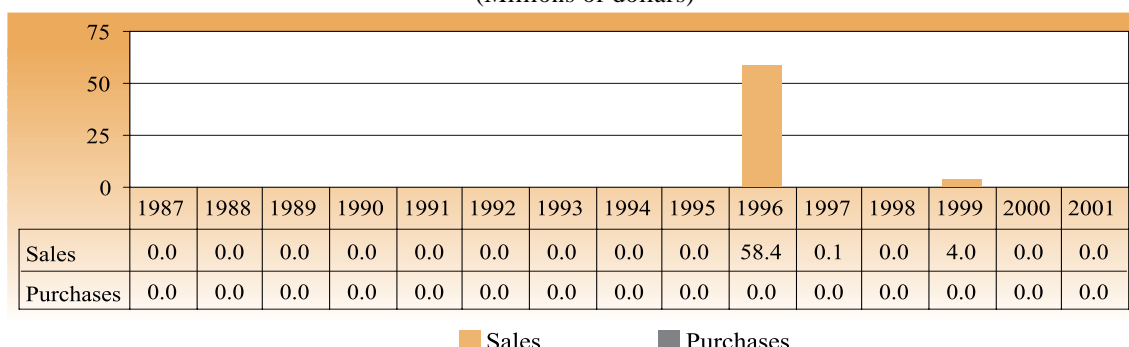
(Millions of dollars)



## FDI inflows as a percentage of gross fixed capital formation, 1985-2000



### Cross-border M&As, sales and purchases, 1987-2001 (Millions of dollars)



### Largest cross-border M&A deals, 1987-2001

Acquired company	Industry	Acquiring company	Home economy	Value (\$ million)	Year
Cia Agricole et Industrielle <sup>a</sup>	Insurance	Investor Group	Brunei	58.4	1996
Stones & Wood Corp SARL	Miscellaneous nonmetallic minerals, except fuels	American Benefits	United States	4.0	1999
Loteri Nationale De Madagascar	Amusement and recreation services	Magnum (Dunlop Estates)	Malaysia	0.1	1997
Saowani Development SARL	Mining	American Benefits	United States	..	1998
JBA Production SA	Women's & children's underwear	Tefron Ltd	Israel	..	2001

a The ultimate parent company is based in France.

### BITs, 1 January 2002

Economy	Date of signature
Germany	21 September 1962
Norway	13 May 1966
Sweden	2 April 1966
Switzerland	17 March 1964

### DTTs, 1 January 2002

Economy	Date of signature
France	22 July 1983
Mauritius	30 August 194

### Largest foreign affiliates, 2001

Company	Home economy	Industry	Sales (\$ million)	Employment	Year of establishment
Shell Exploration and Development Madagascar B V	Netherlands	Oil and gas exploration	4 286.1	66	..
BFV Société Générale SA	France	Commercial banks	8.7	800	1997
Hoechst Madagascar S A	France	Chemicals	7.7	69	1969
Floreal Madagascar S A	Mauritius	Knitting Mills nec	7.0	4 100	..
Cimelta Madagascar S A	Ireland	Nonresidential construction	4.7	600	..
Landis Madagascar S A	Germany	Vehicle supplies and new parts	4.1	95	..
Madagascar Daiho Corp. S A	Japan	Construction	2.5 <sup>a</sup>	5	1996
N C S International S A	Mauritius	General Clothing Male	1.5	2 300	..
Fimapila SARL	France	Vehicle supplies and new parts	1.2	20	1997
Bni Crédit Lyonnais Madagascar S A	France	Commercial banks	..	1 200	..
Société Malgache de Pêcheirie	Japan	Fishing	..	1 031	1966
Société Des Cigarettes Melia De Madagascar	France	Cigarettes	..	427	..
Madagascar Hilton Sarl	United Kingdom	Hotel And Motels	..	234	..
Société Industrielle Des Produits Electriques Et Dérivés	France	Storage Batteries	..	220	..
Polo Garments Majunga S A	Belgium	Textiles	..	200	..
Banque Sbm Madagascar S A	Hong Kong, China	Commercial banks	..	93	1998
Soval Madagascar	France	Hardware	..	9	..
Bull Madagascar Sa	France	..	..	..	..
Demad Ivato	France	..	..	..	..
I B M Madagascar	United States	..	..	..	..
Inframad	France	..	..	..	..
Jullien Ocean Indien Expansion	France	..	..	..	..
Silac	France	..	..	..	..
Geodis Overseas Madagascar	France	..	..	..	..
Somaphar	France	..	..	..	..
Triv	France	..	..	..	..
Bachy	France	..	..	..	..

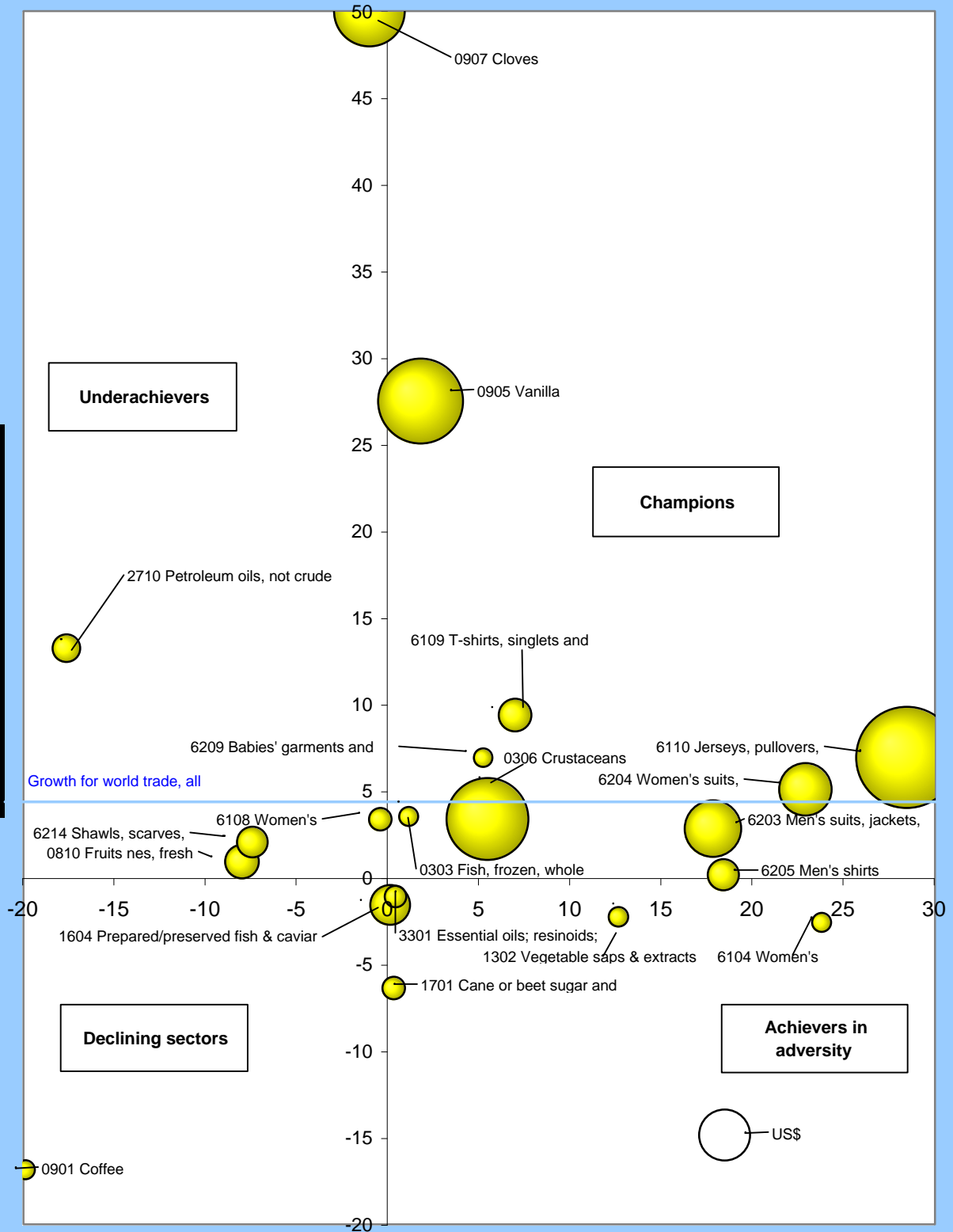
a Data refer to 1999.

### Other relevant information

- **Membership of relevant international agreements as of June 2002:** CREFAA, ICSID, MIGA, TRIMs, GATS, TRIPS.
- **Address and website of investment promotion agency:** Espace Promotion des Investissements (EPI), Ministère de l'industrie et de l'artisanat. B.P. 527 Antaninarenina, Antananarivo 10;  
Tel: (261) 22 25515; Fax: (261) 22 28024
- **Fortune Global 500 investors:** Aventis, Crédit Lyonnais, Société Générale, Groupe Pinault-Printemps.
- **Member of WAIPA as of June 2002:** No

## Export portfolio of Madagascar

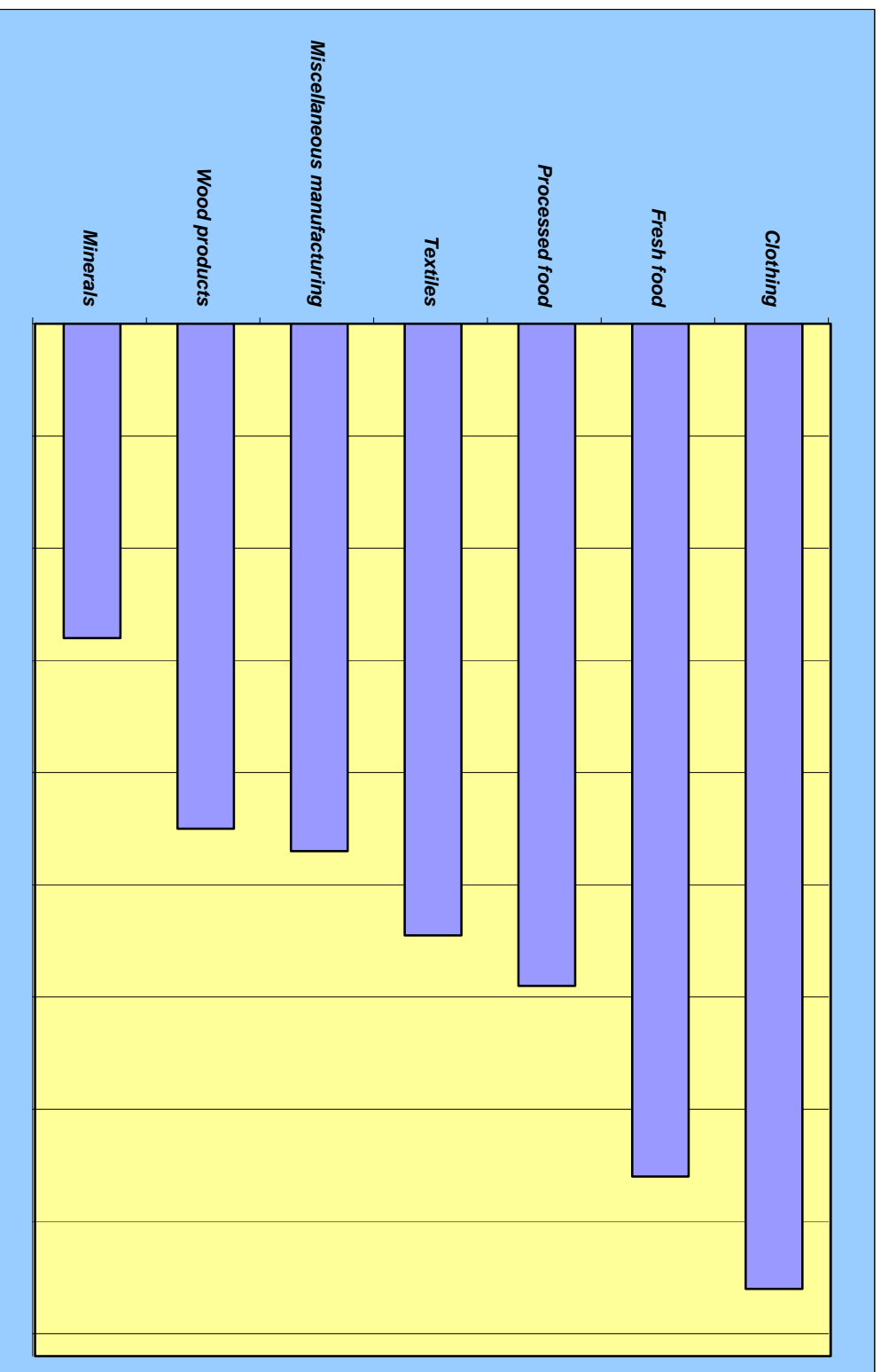
World trade growth, % p.a., 1997-2001



Increase in world market share of Madagascar, 1997-2001

Note: the area of the circles corresponds to the export value of the product group for Madagascar. See explanatory sheet for details.  
Source: ITC calculations based on COMTRADE statistics.

## Specialization index of: MADAGASCAR

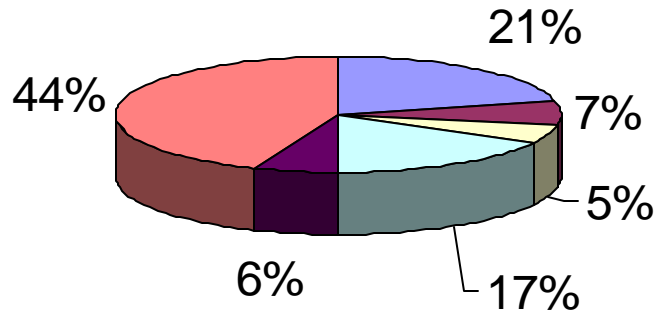


MADAGASCAR	Rank	Revealed comparative advantage
<i>Clothing</i>	13	12.67
<i>Fresh food</i>	33	10.23
<i>Processed food</i>	67	1.39
<i>Textiles</i>	76	0.49
<i>Miscellaneous manufacturing</i>	91	0.27
<i>Wood products</i>	95	0.38
<i>Minerals</i>	129	0.12

The index measures the country's revealed comparative advantage in exports according to the Balassa formula. The index compares the share of a given sector in national exports with the share of this sector in world exports. Values above 1 indicate that the country is specialized in the sector under review. The graph shows the ranking of the specialization indices across countries: Rank 1 indicates that the country has the highest specialization index in the world for the sector under review.

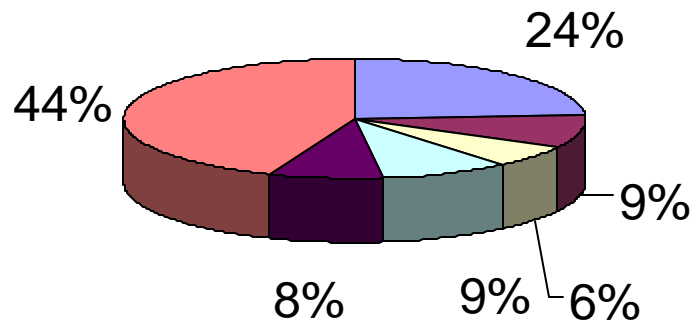
# Imports / Exports

**Top Export Commodities for Madagascar, 2001**



- |  |   |
|--|---|
| ■ Coffee, tea, mate and spices                     | ■ Pearls, precious stones, metals, coins, etc |
| ■ Wool, animal hair, horsehair, yarn and fabric    | ■ Cotton                                      |
| ■ Edible fruit, nuts, peel of citrus fruit, melons | ■ Other commodities                           |

**Top Import Commodities for Madagascar, 2001**



- |   |   |
|---|---|
| ■ Mineral fuels, oils, distillation products, etc | ■ Nuclear reactors, boilers, machinery, etc |
| ■ Cereals   | ■ Vehicles other than railway, tramway      |
| ■ Electrical, electronic equipment                | ■ Other commodities                         |

## Chapter 3: Examples of “Win-Win” Situations in Madagascar

Though it is blessed with a unique ecosystem, Madagascar’s estimated population of 15 million people is among the poorest in the world. In spite of the poverty, the Trade Information Center (TIC) believes that there are many encouraging developments for Madagascar. “The country has significant economic potential that stems from an industrious, competitive labor force and a variety of natural resources.”<sup>17</sup>

Recently the country has suffered weak export prices due to increased competition from other developing nations. The profitability of traditional agricultural exports such as vanilla, coffee and spices have been drastically reduced. According to TIC, however, Madagascar does have a very optimistic export sector which includes aquaculture, apparel manufacturing, mining, tourism, food processing and non-traditional agriculture.

### SAIBL

Organizations such as the Corporate Council on Africa (CCA) and the U.S. Agency for international Development (USAID) have cooperated to create The South African International Business Linkages Program (SAIBL) which believes that crucial to economic progress in Africa is the ability to create access to domestic and international markets. By helping to facilitate such access these organizations can help Madagascar recover from its weak export prices and can also help the Malagasy to benefit from their more optimistic sectors. CCA and SAIBL seek to create contacts between established businesses overseas with small, growing African enterprises. These organizations provide networks through which American companies can expand commercial ties to Madagascar, while also providing Malagasy companies with much needed access to United States markets, tech-

<sup>17</sup> Trade Information Center (TIC) <http://web.ita.doc.gov/>

nological advancements, management skills and ultimately increased revenue.<sup>18</sup>

### Clean Fuel

In February 2001 SAIBL partnered with a Malagasy firm to promote butane gas as an efficient, clean and affordable cooking fuel to substitute charcoal. Currently 75% of the 32,000 households in the provincial capital of Mahajanga use only charcoal and 15% use charcoal in combination with another energy source to cook. Estimates are that annual demand in Mahajanga alone equates to a loss of 4,000 hectares of forest.<sup>19</sup>

### Nu Liner Engineering

The Nu Liner Engineering owned company, Distribution Manufacturing and Engineering (DME) was assisted by SAIBL and in the process has been able to import and export 1 million worth of locomotive parts to Texas based Hitesi USA. Another success story involves a SAIBL client securing a three-year, \$1.5 million contract to become the supplier of aluminum spindles used in car safety belts for American manufacturer Ford Motor Company.

### AMSCO

Also crucial to the development of Madagascar is the training of Malagasy personnel to upgrade skills and improve performance. The African Management Services Company (AMSCO) specializes in the training of such personnel. Currently AMSCO has placed around 300 managers under contract at 110 African companies. More than 9000 employees have been trained. In a recent survey, 70 percent of

<sup>18</sup> South African International Business Linkages Program (SAIBL) <http://www.saibl.co.za/Overview.asp>

<sup>19</sup> USAID Project Report

AMSCO clients reported a positive impact of AMSCO managers and training.<sup>20</sup> AMSCO focuses on providing experienced managers and technical personnel to small and medium-sized private companies in Africa.

The influence of such personnel can have a profound effect on the success of a small company and can also upgrade the outward appearance to potential buyers and investors.

One such example involved a state-owned producer of maize and wheat-flour which was due to be privatized, but potential buyers were discouraged by the company's losses. After carrying out a detailed management audit, AMSCO appointed a chief executive and finance director to the company. Two years after these appointments, the company's credit lines have been restored and production capacity has increased substantially. African managers are completing an extensive training program, and there is now strong interest from prospective buyers.<sup>21</sup>

### **Eco-Tourism**

As noted, Madagascar also has great potential for economic success in the area of tourism. Specifically, Eco-Tourism represents a rapidly growing sector that, if developed responsibly, provides an ideal opportunity for job creation and sustainable development. Organizations such as Saint Jérôme Partage et Développement and Eco-Africa seek to stimulate development through the use of sustainable and responsible tourism. All too often, however, the benefits from tourism are transferred to outside operators while the local populations are left to pay the costs. Specifically, Eco – Africa's philosophy states, "We believe that tourism should provide conservation with an economic justification; that wilderness areas and reserves can only stave off the onslaught by benefiting local communities and economies."<sup>22</sup>

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<sup>20</sup> The African Management Services Company (AMSCO) <http://www.amsco.org/>

<sup>21</sup> AMSCO <http://www.amsco.org/>

<sup>22</sup> Eco-Africa  
<http://www.ecoafrika.com/afra/ta/aboutaa.htm>  
July, 2003.

### *Camp Catta*

Saint Jérôme Partage et Développement is an NGO which focuses on rural development. The NGO is affiliated with Camp Catta which by attracting tourists to the Southern region of Madagascar creates funds which are then applied to the development of the region. The funds are used primarily for small humanitarian projects ranging from the building of schools to agricultural techniques. Among these programs are initiatives to instruct the Malagasy in reforestation, as well as, techniques for Intensive Rice Farming (IRF). This technique allows farmers to triple the output of traditional methods, and requires neither chemical fertilizers nor transgenic seeds. Instead the system relies on the existing varieties in the country as well as, natural compost.<sup>23</sup>

### **Biomass Technology**

Other potential "win-win" situations involve the advancement of technology in Madagascar. Specific programs currently in effect involve the use of biomass for rural energy needs.

This partnership involves the Malagasy Ministry of Energy, French Ministry of Foreign Affairs, as well as private sector organizations within both nations. The partnership aims at putting into place a specific technological and institutional model for meeting the needs for modern energy services in rural areas, using locally available renewable biomass resources, and through South-South technology cooperation. Through this objective, the Partnership will contribute to poverty reduction by creating income and jobs at the village level. Jobs will be necessary to facilitate biomass growing, collecting and processing activities, as well as in the actual operation and maintenance of the energy system.<sup>24</sup>

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<sup>23</sup> Camp Catta <http://www.campcatta.com/>

<sup>24</sup> Modern Biomass Technology for Rural Needs  
[http://www.johannesburgsummit.org/html/sustainable\\_dev/p2\\_managing\\_resources/1908\\_modern\\_biomass.pdf](http://www.johannesburgsummit.org/html/sustainable_dev/p2_managing_resources/1908_modern_biomass.pdf)

## Annex A: Relevant Programmes

### UN System Network on Rural Development and Food Security

A global partnership approach towards tackling rural development challenges at the country level: Comprising [20 UN organizations](#), the UN System Network is an inter-agency mechanism for follow-up to the World Food Summits (1996) and (2002) and supports the Popular Coalition to Eradicate Hunger and Poverty. The Network Secretariat is managed by FAO, in close collaboration with IFAD, WFP and the International Land Coalition.

[http://www.rdfs.net/about/about\\_en.htm](http://www.rdfs.net/about/about_en.htm)

### UN Sustainable Agriculture and Rural Development Initiative (SARD)

The SARD Initiative is a multi-stakeholder umbrella arrangement under which participants can enter into or link up with specific sub-initiatives, including existing projects and networks, according to their willingness, interest and expertise. Sub-initiatives can seek to resolve specific problems, respond to the circumstances of specific disadvantaged groups or communities, agro-ecological zones, regions, or livelihood systems, or overcome specific constraints associated with the interaction of multiple stakeholders in these contexts.

*This is a civil society-led, government-supported, FAO-facilitated undertaking.*

[http://www.un.org/esa/sustdev/partnerships/agriculture/sardinitiative\\_progressreport.doc](http://www.un.org/esa/sustdev/partnerships/agriculture/sardinitiative_progressreport.doc)

<http://www.fao.org/wssd/SARD/index-en.htm>

### FAO International Alliance Against Hunger

At the 2002 World Food Summit, 192 countries unanimously agreed to renew their commitment to halve the number of hungry people in the world by 2015. The countries signed a final declaration, pledging to act as an "international alliance against hunger." The summit was sponsored by the US Food and Agriculture Organization to follow up the 1996 summit at which the anti-hunger pledge was initially made.

<http://usinfo.state.gov/topical/global/develop/02061206.htm>

### FAO Rural Development Division

Assists FAO Member Nations in restructuring their rural institutions and in identifying and preparing projects on "Land tenure institution building for food security and sustainable rural development" and "Improved rural institutions and services to promote sustainable rural livelihoods"; Supports countries in developing and adopting policies, programs, best practices and tools for land ten-

ure to facilitate access to land, ensure user rights and improve land markets.

[http://www.fao.org/sd/SDA\\_en.htm](http://www.fao.org/sd/SDA_en.htm)

### FAO Agricultural Support Systems Division (AGS)

The Division advocates and supports the development of entrepreneurship in agriculture, agri-business and other agricultural support services in order that the agricultural sector increasingly provides jobs and livelihoods to rural people and produces and markets sufficient food. AGS works to ensure enabling environments which actively encourage the growth of rural enterprise and an entrepreneurial spirit for the generation of incomes and employment.

<http://www.fao.org/ag/AGS/Ags.htm>

[http://www.fao.org/sd/brthm\\_en.htm](http://www.fao.org/sd/brthm_en.htm) Sustainable Development Dimensions (by themes)

### WFP Agricultural and Rural Development

WFP has emergency and development projects in 82 countries worldwide. WFP's vision is a world in which everyone has access at all times to the nourishment they need for a full-life. Since it was set-up in 1963, the Rome-based organization has invested US\$27.8 billion and more than 43 million metric tonnes of food to combat hunger, promote economic and social development and provide relief assistance in emergencies throughout the world.

<http://www.wfp.org/index.asp?section=1>

### IFAD Special Program for sub-Saharan Africa (SPA)

Launched by IFAD in 1985, the SPA was carried out in two phases: SPA I, from 1986 to 1991, and SPA II, from 1992 to 1995. The first phase aimed at reviving small-scale farming systems by building or rehabilitating small-scale irrigation works, improving soil conservation, focusing research on traditional food crops and developing marketing arrangements. The second phase went a step further by including non-farm, income-generating activities and rural micro-enterprises.

<http://www.ifad.org/special/spa/index.htm>

### WB Program on Agriculture and Rural Development (ARD)

ARD works to reduce poverty through sustainable rural development. To this end, ARD provides analytical and advisory services to the Bank's regions on a wide range of agriculture and rural development topics. These services include the preparation and implementation of the World Bank's corporate strategy on rural development, monitoring of the Bank's portfolio of agriculture and rural projects, and promoting knowledge sharing among agriculture and rural development practitioners, inside



and outside the Bank, in order to continually improve the Bank's activities in rural areas.

<http://lnweb18.worldbank.org/ESSD/essdext.nsf/11ByDocName/AgricultureRuralDevelopment>

<http://lnweb18.worldbank.org/ESSD/essdext.nsf/11ByDocName/Partnerships>

[ARD Partnerships; including 18 links]

### **WB Poverty Net, Web-guide, Multilateral Development Organization**

Link to about 40 different initiatives fighting poverty

<http://poverty.worldbank.org/webguide/category/2>

### **New Partnership for African Development (NEPAD)**

The *New Partnership for African Development* is a pledge by African leaders, based on a common vision and a firm and shared conviction, that they have a pressing duty to eradicate poverty and to place their countries, both individually and collectively, on a path of sustainable growth and development, and at the same time to participate actively in the world economy.

NEPAD consists of a set of selected regional priorities that addresses in a rather comprehensive manner the developmental needs of Africa and as well as the facilitation of Africa's effective participation in the processes of globalisation and in the growth of the world economy as factors of global stability and progress. It is expected that African leaders will tap into the various programmes articulated in the NEPAD and take joint responsibilities for certain key projects, which are the pillars upon which NEPAD rests.

The initiative proposes has the following objectives:

- Creation of a conducive environment for economic growth and development in both individual African countries and the continent through the enhancement of political and economic governance;
- Poverty reduction and broad based improvement in incomes and quality of life;
- Acceleration of economic integration and reduction of costs/risks of doing business in the continent;
- Increasing economic output and productivity through accelerated development of agriculture and diversification of structure of African economies;
- Mobilisation of additional capital and technical resources

<http://www.africaleadership.org/AboutUs2.htm>

### **Southern African Development Community SADC**

The Southern African Development Co-ordination Conference, SADCC, the forerunner of the SADC, the Community, was established in April 1980 by Governments of the nine Southern African countries of Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe.

<http://www.sadc.int/index.php?lang=english&path=about/background&page=history>

### **African Development Bank Group:**

The African Development Bank Group in its capacity of premier financial development institution of Africa, is dedicated to combating poverty and improving the lives of people of the continent and engaged in the task of mobilizing resources towards the economic and Social progress of its [Regional Member Countries](#).

[http://www.afdb.org/projects/home\\_projects.htm](http://www.afdb.org/projects/home_projects.htm)

### **IIED Sustainable Agriculture and Rural Livelihood**

The Sustainable Agriculture and Rural Livelihoods (SARL) Program of International Institute for Environment and Development seeks to promote sustainable, equitable, decentralized agri-food systems based on local diversity and participatory democracy, thereby contributing to improved livelihoods and entitlements, poverty reduction, and long-term ecological and economic sustainability.

<http://www.iied.org/sarl/>

### **UN Global Compact**

The Global Compact is a voluntary corporate citizenship initiative with two objectives: Mainstream the nine principles in business activities around the world, and catalyse actions in support of UN goals. The Global Compact is a network. At its core are the Global Compact Office and five UN agencies: the [Office of the High Commissioner for Human Rights](#); the [United Nations Environment Programme](#); the [International Labour Organization](#); the [United Nations Development Programme](#); and the [United Nations Industrial Development Organization](#). The Global Compact involves all the relevant social actors: governments, who defined the principles on which the initiative is based; companies, whose actions it seeks to influence; labour, in whose hands the concrete process of global production takes place; civil society organizations, representing the wider community of stakeholders; and The United Nations, the world's only truly global political forum, as an authoritative convener and facilitator.

<http://www.unglobalcompact.org/Portal/>

### **Global Alliance to Improve Nutrition (GAIN)**

GAIN is an alliance of public, private and civil society organizations committed to saving lives and improving health through the elimination of vitamin and mineral deficiency.

<http://www.globalhealth.org/sources/view.php3?id=523>

## **The Global Alliance for Vaccines and Immunization (GAVI)**

The Global Alliance for Vaccines and Immunization is an [alliance](#) between the private and public sector committed to one goal: saving children's lives and people's health through the widespread use of vaccines.

<http://www.vaccinealliance.org/home/index.php>

## **Développement rural, Sécurité alimentaire, Environnement**

### **Le site du Secrétariat Multi Bailleurs - Madagascar**

Le Groupe des Bailleurs de Fonds (GBF) was initially created in 1997 to support the environmental actions, more particularly the realization of the PE2. In October 2000, the mandate of the GBF was extended to the fields of the rural development and food safety, primarily to support the implementation of the Action plan for the Rural Development (PADR). The membership of the GBF, initially limited to the backers of environment (the World Bank, UNDP, Custom-aid, KfW, SCAC, SDC, FIDA, WWF and Ci) was thus extended to the financial backers of the whole of the sector of the rural development (including European Union and French development Arranges).

<http://www.smbmada.net/gbfsmb.asp>

## **ICC (International Chamber of Commerce)**

ICC is the voice of world business championing the global economy as a force for economic growth, job creation and prosperity. ICC activities cover a broad spectrum, from arbitration and dispute resolution to making the case for open trade and the market economy system, business self-regulation, fighting corruption or combating commercial crime. ICC has direct access to national governments all over the world through its national committees. The organization's Paris-based international secretariat feeds business views into intergovernmental organizations on issues that directly affect business operations.

## **International Agri-Food Network**

The Agri-Food Network facilitates informal liaison among the professional organization in the agri-food chain at the global level. Those wishing to contact the Network can address any of the participating associations or the rotating focal point, which passes from one association to another on a voluntary basis. The current focal point is indicated on the Networks' s web-site. Participation is open to any association representing a sector in the agri-food chain at the global level. Sectors currently involved are listed on this page. Several other sections that do not yet have an established truly international organization may attend through regional associations.

The international Agri-Food Network has been a model for similar groupings at national and regional levels.

<http://www.agrifood.net>

## **World Business Council for Sustainable Development**

WBCSD is a coalition of 165 international companies united by a shared commitment to sustainable development via the three pillars of economic growth, ecological balance and social progress. Its members are drawn from more than 30 countries and 20 major industrial sectors. It also benefits from a global network of 43 national and regional business councils and partner organizations located in 39 countries, involving some 1,000 business leaders globally. Its mission is to provide business leadership as a catalyst for change toward sustainable development, and to promote the role of eco-efficiency, innovation and corporate social responsibility.

<http://www.wbcscd.ch>

## **Rotary International**

Rotary is an organization of business and professional leaders united worldwide who provide humanitarian service, encourage high ethical standards in all vocations, and help build goodwill and peace in the world. IN 166 countries worldwide, approximately 1.2 million Rotarians belong to more than 30,000 Rotary clubs. In nearly 100 years, Rotary has grown from a small club of four members to a worldwide network of men and women who share a common vision for a better world. The world's first service organization, Rotary has a long history of helping those in need and uniting people of different cultures and beliefs. Through the work of individual Rotary clubs, and through the programs of Rotary International and the Rotary Foundation, Rotary is making the world a better place.

<http://www.rotary.org>

## **The Business Council for the United Nations**

BCUN is a catalyst for action, understanding and innovative business opportunities between members companies and the United Nations. Through a network of partnerships in economic development, health, education, and technology, BCUN advances the common interest of the UN and business in a more prosperous and peaceful world.

<http://www.unausa.org/>

## **United Nations Development Programme Division for Business Partnerships**

## **Annex B: Summary Information on Entities of the UN System**

### **Department of Economic and Social Affairs (DESA)**

DESA promotes broad-based, sustainable development through a multidimensional integrated approach to economic, social, environmental, population and gender issues. It provides policy analysis and facilitates international dialogue on development issues in the General Assembly, ECOSOC and other intergovernmental bodies.

### **Food and Agriculture Organization (FAO)**

FAO is the UN arm that works to alleviate poverty and hunger by promoting agricultural development, improved nutrition and the pursuit of food security. Its supreme governing body is the Conference, which elects its executive organ, the Council.

### **International Fund for Agricultural Development (IFAD)**

IFAD was formed in 1977 as a specialized agency of the United Nations mandated to combat hunger and rural poverty in developing countries.

### **International Labour Organization (ILO)**

ILO is the UN agency that seeks to promote social justice and internationally recognized human and labour rights. Its governing body is the executive council that meets thrice a year to take decisions on ILO policy, establish the programme and budget and elect the Director General.

### **International Maritime Organization (IMO)**

The IMO was formally established as a specialized agency responsible for measures to improve maritime safety and preventing pollution from ships. The purposes of the Organization, as summarized by Article 1(a) of the Convention, are "to provide machinery for cooperation among Governments in the field of governmental regulation and practices relating to technical matters of all kinds affecting shipping engaged in international trade; to encourage and facilitate the general adoption of the highest practicable standards in matters concerning maritime safety, efficiency of navigation and prevention and control of marine pollution from ships". The Organization is also empowered to deal with administrative and legal matters related to these purposes.

### **International Monetary Fund (IMF)**

The IMF is an international organization of 183 Member States established to promote international monetary cooperation; exchange stability and orderly exchange

arrangements, to foster economic growth and high levels of employment, and to provide temporary financial assistance to countries that need help to ease the balance of payment adjustment. The Executive Board is responsible for conducting the day-to-day running of the IMF and appoints the Executive Director. It meets thrice per week.

### **International Telecommunication Union (ITU)**

The International Telecommunication Union is a specialized agency of the United Nations founded in 1865 on the principle of cooperation between governments and the private sector. With a membership encompassing telecommunication policymakers and regulators, network operators, equipment manufacturers, hardware and software developers, regional standards-making organizations and financing institutions, ITU's activities, policies and strategic direction are determined and shaped by the industry it serves.

### **International Trade Centre (ITC)**

The International Trade Centre is the focal point in the UN system for technical cooperation with developing countries in trade promotion. It is responsible for implementing UNDP-funded projects in developing countries and economies in transition related to trade promotion.

### **United Nations Centre for Human Settlements(HABITAT)**

The UN-HABITAT mandate is to promote socially and environmentally sustainable human settlements development and achievement of adequate shelter for all. It was established in 1978 as the UN lead agency for coordinating human settlement activities.

### **United Nations Children's Fund(UNICEF)**

UNICEF is mandated by the United Nations General Assembly to advocate for the protection of children's rights, to help meet their basic needs and to expand their opportunities to reach their full potential. The Executive Board is the governing body of UNICEF, responsible for providing intergovernmental support to and supervision of the activities of UNICEF.

### **United Nations Conference on Trade and Development(UNCTAD)**

UNCTAD was set up in 1964 as a principal UN General Assembly organ dealing with trade, investment and

development issues. It aims to maximize trade, investment and development opportunities of developing countries and assist them in their efforts to integrate in the world economy on an equitable basis.

### **United Nations Development Fund for Women (UNIFEM)**

UNIFEM's mandate (according to GA resolution A/RES/39/125, 1984) is to: 1) support innovative and experimental activities benefiting women in line with national and regional priorities; 2) serve as a catalyst, with the goal of ensuring the appropriate involvement of women in mainstream development activities, as often as possible at pre-investment stage; and 3) play an innovative and catalytic role in relation to the UN overall system of development cooperation.

### **United Nations Education, Science & Cultural Organization (UNESCO)**

UNESCO's mandate is to contribute to world peace and security by promoting collaboration among nations through education, science, culture and communication. Its supreme governing body is the General Conference of Member States, and meets twice a year to approve the organization's programme and budget. The Secretariat is the executive branch of the organization and implements the programme adopted by Member States.

### **United Nations High Commissioner For Refugees (UNHCR)**

The Office of the United Nations High Commissioner for Refugees was established on December 14, 1950 by the United Nations General Assembly. The agency is mandated to lead and co-ordinate international action to protect refugees and resolve refugee problems worldwide. Its primary purpose is to safeguard the rights and well-being of refugees. It strives to ensure that everyone can exercise the right to seek asylum and find safe refuge in another State, with the option to return home voluntarily, integrate locally or to resettle in a third country.

### **United Nations High Commissioner for Human Rights (UNHCHR)**

The United Nations High Commissioner for Human Rights works to strengthen and coordinate United Nations work for the protection and promotion of all human rights of all persons around the world. The Secretary-General has made human rights the central theme that unifies the Organization's work in the key areas of peace and security, development, humanitarian assistance and economic and social affairs.

### **United Nations Industrial Development Organization (UNIDO)**

UNIDO promotes industrialization throughout the developing world through its 169 Member States and a strong presence in the field. The governing body is the Industrial Development Board which reviews the implementation of the work programme, approves the budget and makes recommendations to the General Conference, the supreme body, on all policy matters.

### **United Nations Population Fund (UNFPA)**

UNFPA extends assistance to developing countries in addressing reproductive health and population problems. Its goals include universal access to health care, including family planning and sexual health by 2015; reducing infant mortality to 35 deaths per 1000 live births and under 5 mortality to below 45 per 100 live births by 2015; and reducing maternal mortality to half of the 1990 levels by 2015. It is run by the Executive Board of UNDP/UNFPA.

### **United Nations Programme on HIV/AIDS (UNAIDS)**

UNAIDS is the agency that advocates for global action on HIV/AIDS. It supports an expanded response aimed at preventing the transmission of HIV, providing care and support, reducing the vulnerability of individuals and communities to HIV/AIDS, and alleviating the impact of the epidemic.

### **United Nations Volunteers (UNV)**

The UNV serves as an operational partner in development cooperation. It assigns mid-career men and women sectoral and community-based development projects, humanitarian aid and the promotion of human rights and democracy.

### **World Bank (IBRD & IDA)**

Founded in 1944, the World Bank provides development assistance to developing countries to improve living standards and eliminate the worst forms of poverty.

### **World Food Programme (WFP)**

WFP is the food aid arm of the UN that works to put hunger at the centre of the international agenda, promoting policies, strategies and operations that directly benefit the poor and hungry. It is run by an Executive Board elected by ECOSOC and FAO.

### **World Health Organization (WHO)**

WHO is the world agency whose purpose is to combat disease and ill-health and promote sustainable and

equitable health systems in all countries. The World Health Assembly is the governing body that determines the policies of the agency. It elects the Director-General, approves the programme budget, considers the Executive Board reports, etc.

### **World Intellectual Property Organization(WIPO)**

WIPO is dedicated to promote the use and protection of works of the human spirit. These works - intellectual property - are expanding the bounds of science and technology and enriching the world of the arts. Through its work, WIPO plays an important role in enhancing the quality of life, and creating wealth for nations.

### **World Meteorological Organization (WMO)**

From weather prediction to air pollution research, climate change related activities, ozone layer depletion studies and tropical storm forecasting, the World Meteorological Organization coordinates global scientific activity to allow increasingly prompt and accurate weather information and other services for public, private and commercial use, including international airline and shipping industries. WMO's activities contribute to the safety of life and property, the socio-economic development of nations and the protection of the environment.

### **World Trade Organization (WTO)**

The WTO is an international organization dealing with the rules of trade between nations. Its goal is to help the producers of goods and services, exporters and importers conduct their business. The WTO agreements are negotiated and signed by the world's trading nations and ratified in their parliaments.

### **Economic Commission for Africa (ECA)**

Formed in 1958, the ECA is the regional arm of the United Nations mandated to support the economic and social development of its 53 Member States, foster regional integration and promote international cooperation for Africa's development. It reports directly to the UN Economic and Social Council (ECOSOC) through the Conference of African Ministers responsible for Economic and Social Development and Planning, and convenes a number of intergovernmental organs and committees.

### **Economic & Social Commission for Asia and the Pacific (ESCAP)**

ESCAP is the regional arm of the UN, which provides a forum for the region to review and discuss economic and social issues to strengthen regional cooperation. Its

main legislative organ is the Commission, which meets annually and reports to ECOSOC.

### **Economic & Social Commission for Asia and the Pacific Economic & Social Commission for Western Asia(ESCWA)**

ESCWA promotes economic and social development through regional and sub-regional cooperation and serves as the economic and social development forum within the UN system for the region.

### **Economic Commission for Latin America and the Caribbean(ECLAC)**

ECLAC was established by ECOSOC resolution 106 (VI) of 25 February 1948 to contribute to the economic development of Latin America and the Caribbean.