

**Ministerial Review of Progress in the Implementation of the 2003 ECOSOC
Ministerial Declaration on Promoting an Integrated Approach to Rural
Development in Developing Countries for Poverty Eradication and Sustainable
Development**

**30 June 2005
3:15pm – 4:30pm
ECOSOC Chamber**

**Address by H.E Zina ANDRIANARIVELO-RAZAFY on
Madagascar's experience with the UN Public Private Alliance for Rural
Development and subsequent signing of compact with the Millennium Challenge
Corporation**

Mr. Chairman, ladies and gentlemen,

This review of progress of the Ministerial declaration is very important. The issues paper shows that agriculture and other aspects of rural developments are vital to poverty reduction and to achieving the MDGs but it shows that overall progress for rural development has mixed results. This is partly because of the difficulties encountered, and partly a matter of commitment and resources. I am pleased to say that in Madagascar, our President and the Government have a vision for advancing the economic and social welfare of the people who depend heavily on rural development. I would like to talk about 2 aspects of it: the UN Alliance and the MCA. In both cases, Madagascar has taken the lead. We are the first pilot country of the UN Alliance and the first country to achieve the agreement with the MCC.

The match making works of the UN Alliance and of Alliance-Madagascar were carried out by the joint efforts of the first pilot country and the UN system Agencies. So far, the following efforts have been conducted or are underway:

- Promoting and facilitating bankable projects from the Ministry of Agriculture and FAO;
- Arrangement for Land O'Lakes Inc. to assist the Government in preparing a market-driven Master Plan for Rural Development;
- Arrangement of partnership between IBM and the World Wildlife Foundation WWF on small grants that balance environmental protection and income generation at village level;
- Assistance in marketing value-added products, especially handicrafts, and marketing Madagascar's rich biodiversity in the U.S.

In the microfinance sector, the UN Alliance has arranged partnerships to expand rural credit. They include partnerships:

- between the Bank of Africa in Madagascar and Columbia University,
- between the University of Antananarivo, Department of Economics and Management and the Open Society Institute in the U.S,
- and between CECAM, a Malagasy rural microfinance institution and the Deutschebank of New York.

These are preliminary results since the 2004 ECOSOC resolution requests the UN Alliance to submit a report on the first pilot country in 2006. We hope that in view of the High-level plenary meeting of the General Assembly in September, ECOSOC could consider highlighting the critical role of rural development in achieving the MDGs.

Mr. Chairman,

Madagascar is also the first beneficiary country of the Millennium Challenge Account (MCA). The Program aims at bringing rural Madagascar from a subsistence economy to a market economy by raising agricultural productivity and increasing agro-investment in targeted high potential areas. To this end, the Government has engaged in a nationwide consultative process to ensure country ownership.

Eighty percent of Madagascar's population live in rural areas and below the poverty level. The Poverty Reduction Strategy Paper (PRSP) shows that they did not benefit from the macroeconomic growth achieved during the 1997-2001 period.

The Program focuses on improving the environment for private sector investment through legal and policy reforms by:

- increasing land security,
- developing financial infrastructure
- and providing knowledge of market opportunities and requirements in rural areas.

These three components are widely accepted as contributing to the economic growth and poverty reduction.

These activities can not be undertaken throughout the country at the same time. Therefore five geographical areas will be targeted due to their potentialities for development in the fields of land tenure projects, finance projects and agricultural business investment projects.

Regarding the Agricultural Business Investment Project, it will be implemented through a network of MCC funded Agricultural Business Centers (ABCs) in the targeted areas, with a National Coordinating Center in Antananarivo (NCC). These centers will work with a broad set of partners and stakeholders to provide information regarding agribusiness, technology, finance and management.

The Agricultural Business Centers (ABCs) will improve the quality of credit by enhancing the ability, at the farm level, to make better decisions on planting, input management and marketing and to be able to communicate those decisions to possible investors or leaders.

This process was made possible thanks to the strong political will and commitment, combined with good governance and accountability from the Government. The MCA program will certainly give a big push to Madagascar's development in synergy with the other donors' contribution.

The Government of Madagascar is giving much attention to combine the efforts of international and donor communities with the MCA program, so that Madagascar's real economic growth in rural areas will become a reality, as the President RAVALOMANANA declared, during his national address at the beginning of the year, and I quote "the year 2005 will be devoted to rural development". Thank you.