

Translation: Original in French

MADAGASCAR

INTERIM POVERTY REDUCTION STRATEGY PAPER

November 20, 2000

TABLE OF CONTENTS

INTRODUCTION	1
Economic and Social Background.....	1
Pursuit and Improvement of the Current Actions.....	2
Participatory Process and Organisational Provisions.....	3
CHAPTER I : CHARACTERISTICS OF POVERTY	5
I.1 ASSESSMENT OF ECONOMIC PERFORMANCES	5
Debt situation.....	5
I.2 POVERTY ANALYSIS	8
I.2.1. Monetary Poverty Analysis.....	8
I.2.2. Aspect of Poverty in the Education Sector.....	10
I.2.3. Aspect of Poverty in the Health Sector.....	13
I.2.4. Access to Drinking Water and other Welfare Services.....	16
I.2.5 Human Development Index.....	17
I.3. CULTIVATION CONDITIONS AND ENVIRONMENT DEGRADATION	17
CHAPTER II: STRATEGIES FOR POVERTY REDUCTION	19
II.1.- OVERALL OBJECTIVES	19
II.1.1.- Economic Objectives: Challenges in Growth and Investment.....	19
II.1.2. Life Quality Objectives.....	20
II.2. STRATEGY AXIS	20
II.2.1. - Axis No 1: To improve the economic performances with the participation of the poor.....	20
II.2.2. Axis n° 2: To develop the basic essential services (education, health, and drinking water...) and to widen the security nets to benefit the most vulnerable layers of the population.....	22
II.2.3. Axis n°3: to implement an institutional framework favourable to economic growth and poverty reduction, and to build capacity in order to improve the governance and the relations between the administration and administered.....	22
CHAPTER III : STRATEGY IMPLEMENTATION	24
III.1. PROGRAMMES HELPING REACH THE OBJECTIVES OF STRATEGY AXIS N°1	24
III.1.1. Macro-economic Policy.....	24
III.1.2 Increase in the Offer.....	25
III.1.3. Agriculture and Environment.....	27
III. 1. 4. Economic Infrastructures.....	28
III.1.5. Legal Environment of the Business World and Social Laws.....	29
III.1.6. Trade and Regional Integration.....	29
III.2. PROGRAMMES HELPING REACH THE OBJECTIVES OF STRATEGY AXIS N°2	30
III.2.1. Actions in the Education sector.....	30
III.2.2. Actions in the Health Sector.....	32

III.2.3. Drinking Water and other Welfare Services	33
III.2.4. Security Nets	35
III.3. INSTITUTIONAL DEVELOPMENT AND CAPACITY BUILDING.....	35
III.3.1. The Development of Autonomous Province.....	35
III.3.2. Building Capacity of the Essential State Services	36
CHAPTER IV: MONITORING, PARTICIPATORY PROCEDURE, AND SCHEDULE	39
IV.1. A DEEPER KNOWLEDGE OF POVERTY	39
IV.2. THE PARTICIPATORY PROCESS.....	40
IV.2.1. Principles and Objectives	40
IV.2.2. The Process Time Schedule.....	40
CHAPTER V : FINANCING NEEDS AND ABSORPTION CAPACITY	42
V.1. PRINCIPLES.....	42
V.2 SCHEDULE FOR THE USE OF IHIPC RESOURCES.....	42
APPENDICES.....	45
Appendix 1. Economic and Financial Indicators 1999-2003.....	47
Appendix 2. Main Monitoring Indicators.....	51
Appendix 3. Matrix of Measures for Improving the Implementation of Expenditures	55
Appendix 4. Social Programmes and Indicators: Education Sector.....	61
Appendix 5. Health Sector Plan of Action (nutrition, population and youth).....	75
Appendix 6. Table of Orientations, Strategic Axes and Rural Development Programmes	93
Appendix 7. Synthesis of the Main Participatory Consultations	97
Appendix 8. Poverty Assessment and Monitoring Plan in the Framework of the PRSP : Proposal of the National Institute of Statistics (INSTAT).....	113

INTRODUCTION

ECONOMIC AND SOCIAL BACKGROUND

Madagascar has been undergoing structural adjustment for about 20 years with mixed results, results undoubtedly determined by political practices and special historical and political circumstances.

Indeed, in terms of economic growth rate, Madagascar experienced a low GDP per capita growth between 1960 to 1972 (+0.4% on average), but the structural adjustment programmes initiated towards the early 80s started to bear fruit as from 1988 with a growth rate higher than the population growth rate, except for the period between 1991-1996 when such programmes were held up. The average annual growth rate was 3.5% between 1988-1990 and 4.1% for 1997-1999. However, some African or Asian countries with more or less comparable level in 1960 have had more positive performances.

To date, Madagascar is among the group of the poorest countries whatever the classification indicators used. Nevertheless, she appears among the countries whose rank according to the Human Development Index (HDI) is higher than that of GDP's, which is an evidence of past investment efforts in the social sector until the early 80s. The current situation, reflected in the economic deprivation among most of the Malagasy people, is coupled with a high level of deprivation in the vital sectors of human life:

- nearly half of the school age children are not enrolled in schools;
- illiteracy affects more than half of the population (of which 56.5% of women) with a higher rate among the youngest;
- nearly one third of the Malagasy population's life expectancy is below age 40;
- more than three quarters of the Malagasy people have no access to drinking water;
- energetic food intake of three Malagasy out of four is below the minimal 2133 cal/day standard;
- poverty index which was 59% in 1985 increased to 70% in 1993 and to 73.3% in 1997 before dropping at 71.3% in 1999.

Hence, the justified dissatisfaction or even helplessness face to a persistent shocking poverty despite definite improvements of macro-economic indicators.

Without holding pessimistic views and grieving over the curse of an economic disaster striking the country otherwise blessed by the gods with its human potentials, its soil and its rich subsoil and its unique environment which give room to hope, we have to acknowledge the fact that the discrepancy between the achievements and potentials cannot be denied, as the economic growth levels remain obviously too insufficient to take up the poverty alleviation challenge.

Regarding social development and fight against poverty, the results of the "social dimension" programmes launched at the end of the 1980s and aiming at alleviating the adverse effects of structural adjustment on the poor have proved to be mitigated. Thus, the first national programme for the improvement of education implemented from 1989 to 1997 (PNAE I) has helped endow the Government with instruments to manage the sector. However, the overall school enrolment rate remains low, and the school management decentralisation process has not been brought to completion yet. For the health sector, the programme has had no significant

impact on the access rate to health structures, perhaps also for want of sufficient synergy with the other health -related sectorial actions (nutrition , water, food security,...) . And a good proportion of the population remains isolated in land-locked areas because rural tracks are not maintained on a regular basis.

Programmes have been the subject of amendments since 1997, in order for them to reach their specific objectives with, inter alia: a real increase in the allotment of budgetary resources to the relevant sectors and an increased involvement of technical and financial partners.

The second programme, PNAE 2, implemented since 1997, for example, endeavours to bridge the gaps noted on the basis of partnership involving participation of parents associations in each school and effective attachment of teachers' budgeted posts to each school. In the same way, the redynamisation of the health system based on health district organisation has been reflatred through the putting up of human means and materials necessary for the good running of services. Besides , those two sectors have currently to overcome the problem associated with repairing the service basic infrastructures caused by the cyclones during 1999-2000 including the rehabilitation and reconstruction of more than 1000 buildings.

Specific programmes have been implemented to alleviate the poverty level of partakers to these programmes, especially the most vulnerable layers of the populations and those in land-locked areas, thus helping job promotion and income-generating activities through food security projects, the putting up of basic infrastructures in urban and rural areas (HIMO for irrigation canals, rural tracks...) or through the promotion of micro-enterprises. However, their impact is not yet significant at national level and the temporary character of the effects requires integration of the actions in a more coherent and larger context in the frame of sectorial programmes geared to fight against poverty.

There are reasons to think that the actions undertaken against poverty, including economic growth, are on the right track. The encouraging results obtained in the past three years must be strengthened and improved . The Government has the decisive will to fight poverty in all its forms and dimensions. For this end the Government seeks for the largest possible involvement of the various components in the Nation in a spirit of mutual trust, so that the strategy be endorsed and implemented in transparency, and so that every one feels accountable for reaching the objectives set.

PURSUIT AND IMPROVEMENT OF THE CURRENT ACTIONS.

Madagascar has high ambitions in terms of wealth production increase and fair distribution of wealth in a context where inflation is controlled.

Efforts have been made in terms of budget allocations to enhance social sectors, from 17.8% on average overall expenditures over the 1995-1998 period to 22.5% in 1999. These efforts, which go beyond the Copenhagen objectives, will be pursued and developed.

The "security nets" designed for the most vulnerable layers of the population will be extended .

The strengthening of the Republic's institutions through decentralisation, especially the progressive setting up of the Autonomous Provinces, will make administration more efficient and closer to the population. This is one of the top priorities.

The Government has chosen to capitalise what has been acquired from the programmes and the reflections in progress and to set an objective time schedule enabling the technical and political feasibility of the design and the implementation of poverty reduction strategy. In this respect, it intends to include in the process a reflection on past actions.

PARTICIPATORY PROCESS AND ORGANISATIONAL PROVISIONS

In order that the reflection involving an integration of the poor in the process does not remain a symbol or a story, the Government expects to bring the reflection to the decentralised level (regions and communes) so that the objectives of representativity and relevance in the reflection can be addressed. It is in this respect that the participation of the central and decentralised State institutions, that of intermediate institutions in the civil society and the private sector (unions, political parties, religious groups and associations) will be sought and organised. This wide representativity will help those who are primarily concerned to take part in the reflection for, in the process, the viewpoint of the poor must be collected either directly, or through organisations which are likely to express their feelings, needs, expectations and suggestions, conditions for them to endorse the fight against poverty.

The present paper which reflects the current status of the strategy for fighting against poverty as it is carried out constitutes in fact the starting point for as large a collective reflection as possible.

To successfully fulfil its orientation and organisation task, the Government has decided to call upon the cooperation of a Technical Unit comprising high ranking officials, academic people, local elect and entrepreneurs from the private sector (Decree n° 2000-703 of September 13, 2000 by the Prime Minister, Head of the Government) and responsible for helping sectorial officials prepare the base-line documents used in the discussions and exchanges during the thematic work group, to contribute to the organisation and implementation of the continuous participatory process necessary in the definition of the poverty reduction strategy to ensure the synthesis of the outcome of the thematic work group and report them to the Prime Minister, and to take part in the dynamic analysis of all the poverty aspects. Permanent staff is in charge of the Technical Unit Secretariat and, if required, it will be reinforced.

The primary mission with which the technical unit has been entrusted is to prepare and organise of a workshop to reinforce the participatory process to develop the strategy for poverty reduction, organised on September 7 and 8, 2000 in Antananarivo. The first draft of Interim Poverty Reduction Strategy Paper (IPRSP-1) which has been designed on the basis of the recommendations of this workshop and previous consultations, roundtables and workshops in the framework of sectorial strategies was examined and discussed during a second workshop held in Antananarivo on November 10, 2000, with a more important participation of the civil society and province residents than in September (over 60% versus 40% participants in September). The current I-PRSP is therefore the fruit of wide-range consultation, and it is submitted to the foreign partners of Madagascar who would wish to support the implementation of Madagascar's fight

against poverty. Later, the development of the action plans, cost estimate and refinement of the assessment criteria will be scheduled with the same category of participants in seminars and regional thematic workshops. They are expected to result in the full Poverty Reduction Strategy Paper (PRSP) due to be finalised by June 2001. These participants will be eventually associated in the monitoring and assessment of the action plan implementation in a process which will include both contributions to data collection and analyses and reflection from specific seminars. Meanwhile the population will take part in the reflection on strategies and sectorial programmes such as Support Programme to Rural Development (PADR), the Sectorial Transport Programme (PST), the National Programme for Support to the Private Sector (PNSP) , the National Population Policy for Economic and Social Development (PNPDES), the National Policy for the Promotion of Women, the Environment Programme II (PE2), the Programme against AIDS.

I.1 ASSESSMENT OF ECONOMIC PERFORMANCES

Madagascar low level income is the result of a process which, among others, is characterised by (i) low economic growth due to a relatively low level of investment (less than 15% of GDP) and (ii) high population growth rate (in the range of 3%).

Before the 80s, the Malagasy economic growth was too modest as compared to the population growth to bring about improved living conditions to the people, given population growth rate. With the implementation of a stabilisation and a structural adjustment programme supported by the donor community in the early 80s, together with a series of measures (exchange rate and internal trade liberalisation, price deregulation, state divesture from production activities and trade, import liberalisation...), real positive economic growth was achieved by the end of the decade, even though the inflation rate averaged 14% a year remained relatively high.

However, this impetus was abruptly stopped by the 1991 events. Disruption followed and resulted in the suspension of international economic agreements. Economy underwent an acute crisis: the average per capita growth rate fell to - 2.7% between 1991 and 1996. GDP per capita was at its lowest in 1996 with US\$ 198 of 1987, which is 60% of the 1971 level (US\$ 338 of 1987). Inflation was at its highest in 1994-95 (over 50%).

Good performances achieved since 1997 materialised in an average real growth rate of 4.1% and a real positive per capita income growth rate of 1.3% over the 1997-1999 period; these results are encouraging but insufficient if we want to reduce poverty in Madagascar. Inflation slowed down and dropped to an average rate of 5.9%.

	1988-1990	1991-1996	1997-1999
<i>Economic growth rate</i>	3.5%	0.1%	4.1%
<i>GDP per capita growth rate</i>	0.7%	- 2.7%	1.3%
<i>Population growth rate</i>	2.8%	2.8%	2.8%
<i>Inflation rate</i>	13.9%	24.0%	5.9%

Source: SPPM –Ministry of Finance and Economy

DEBT SITUATION

These economic results achieved since 1997 have been accompanied, on the one hand, by decreased public deficit which, on average, dropped from 6.4% of GDP during the 1991-1996 period to 4% during the 1997-1999 period, and on the other hand, by decreased current external deficit which dropped, on average, from 6% of GDP during 1991- 1996 to 3.3% during the 1997-1999 period.

Table n°02: Public and external deficit evolution

	88-90	91-96	97-99
<i>Aggregate revenue</i>	15.2	12.2	14.7
<i>Of which tax revenue</i>	9.6	8.0	10.0
<i>Public deficit (cash basis)</i>	-2.8	-6.4	-4.0
<i>External deficit</i>	-5.6	-6.0	-3.3

Source: SPPM-Ministry of Finance and Economy

As for public revenue, remarkable performances have been recorded during the 1997-1999 period when tax revenues amounted to 10 % of GDP on average, while they were 8% during the 1991-1996 period. However, tax burden rate is insufficient¹ making it hard to face the obligations of the public sector burdened by high external debt.

Despite successive debt rescheduling agreements with the Club of Paris since 1981, the problem of Madagascar indebtedness remains unsolved. Debt servicing represented nearly 152% of tax revenue in 1995, i.e 52% of export revenue. No rescheduling agreements existed between 1991 and 1996 and this made the situation worse, resulting in an important accumulation of external payment arrears. The 1997 rescheduling agreement, including payment of part of the arrears at the end of March 1997 and granted pursuant to the Naples concession terms, helped reduce the net present value of the debt in an important reduction

At the end of 1999, nominal external debt outstanding was in the range of SDR 2.9 billion, i.e 444% of export revenue, 981% of tax revenue and 108% of GDP. In 1999, external debt servicing represented 12.4 % of export revenue, 27.4% of tax revenue and 3% of GDP, which highlights a situation which significantly hinders the of perspectives accelerated economic growth.

¹ Tax burden rate in Sub Saharan Africa is presently estimated at 15% of GDP

Table n°3: Situation of debt outstanding and external debt servicing 1995-1999

	1995	1996	1997	1998	1999
External debt outstanding					
<i>In millions of SDR</i>	2,887	3,083	2,858	2,829	2,949
<i>In billions of MGF</i>	18,694	18,134	20,054	20,887	25,316
External debt service					
<i>In millions of SDR</i>	263	232	122	134	82.5
<i>In billions of MGF</i>	1,704	1,368	856	992	682
GDP					
<i>In millions of SDR</i>	2,082	2,758	2,573	2,755	2,723
<i>In billions of MGF</i>	13,479	16,224	18,051	20,343	23,379
Export of goods and non factor services					
<i>In millions of SDR</i>	502	565	561	590	664
<i>In billions of MGF</i>	3,251	3,326	3,938	4,358	5,703
Tax revenue					
<i>In millions of SDR</i>	173	234	241	269	301
<i>In billions of MGF</i>	1,121	1,374	1,688	1,984	2,580
External debt outstanding					
<i>% of exports</i>	575	545	509	479	444
<i>% of tax revenue</i>	1,668	1,320	1,188	1,053	981
<i>% of GDP</i>	139	112	111	103	108
External debt service					
<i>% of export</i>	52.4	41.1	21.7	22.7	12.4
<i>% of tax revenue</i>	152.0	99.1	50.6	49.8	27.4
<i>% of GDP</i>	12.6	8.4	4.7	4.9	3.0
Exchange rate MGF/SDR	6,474	5,882	7,016	7,383	8,586

Source: Central Bank

I.2 POVERTY ANALYSIS²

I.2.1. MONETARY POVERTY ANALYSIS

According to international standards, are defined as poor individuals whose income are insufficient to enable them to buy, in addition to indispensable non food items³, food intake of 2,133 calories a day, the minimum supposed to be required for an active normal life .

Given this definition, monetary poverty line⁴ was estimated in 1999 at MGF 736,644 per capita a year. Based on these considerations, about 71.3% of the Malagasy population fall in the category of the poor in 1999.

Food expenses draw heavily on people's income and impact the living conditions of the poor. According to the 1999 household survey , 70.2 % of household expenses are devoted to food over all Madagascar. This proportion reaches 74.6 % in rural areas.

I.2.1.1. Incidence of residential environment

Residential environment appears to be a decisive factor in terms of monetary poverty. It is over 76% of the rural population that are poor against 52% in urban areas ,with a more pronounced intensity⁵ (36% against 21%). Per capita expenses reflect this difference for in rural areas, they are below poverty line and represent only two fifths of those in the capital city or 63% of those in secondary towns.

Table n° 04: Measure of poverty according to residential environment

<i>Residential environment</i>	<i>Poverty ratio</i>	<i>Poverty intensity</i>
<i>Urban</i>	<i>52.1</i>	<i>21.4</i>
<i>Rural</i>	<i>76.7</i>	<i>36.1</i>
<i>Whole country</i>	<i>71.3</i>	<i>32.8</i>

Source: 99 Household survey (EPM 99)

² This analysis of poverty in Madagascar is based on various household surveys undertaken until 1999

³ For example, clothing and other commodity items

⁴ Poverty line : income necessary to buy , apart from indispensable non food items, daily food intake of 2,133 calories. Poverty ratio : proportion of the population whose average income is below poverty line (proportion of the poor)

⁵ Poverty intensity = difference (in %) between poverty line and average income of the poor

Table n°05: Per capita expenses according to residential environment

<i>Residential environment</i>	<i>Per capita expenses(MGF 1,000)</i>
<i>Capital city</i>	1.577
<i>Other big urban centres</i>	1.057
<i>Secondary urban centres</i>	1.17
<i>Rural area</i>	741
<i>Madagascar</i>	834

Source : 99 Household survey (EPM 99)

L.2.1.2- Impact of the breadwinner's socio-economic group

Generally speaking, the breadwinner's socio-economic group determines the household level of expenses , therefore its situation in terms of monetary poverty. The following table confirms, if need be, that in the majority of cases households whose breadwinner's main activity is in agriculture and stockbreeding are in most cases the poorest in the country, and this is particularly true among small-scale farmers. It's in that group that we meet the highest poverty intensity. This all the more important as the Malagasy population counts 17.4% of female breadwinners who are mainly in the informal low-generating income sector. On the other hand, traders and entrepreneurs as well as salaried executives are less affected by poverty.

Table n°06: Distribution of yearly per capita expenses according to the breadwinner's socio-economic group

<i>Socio-economic group</i>	<i>Poverty ratio</i>	<i>Poverty intensity</i>	<i>Per capita expenses</i>
	%	%	<i>(In thousands of MGF)</i>
<i>Big farmer</i>	61.2	24.4	964
<i>Medium-scale farmer</i>	73.3	33.1	787
<i>Small-scale farmer</i>	82.2	40.2	653
<i>Breeder-Fisherman – Hunter</i>	78.0	39.9	706
<i>Non farmer</i>	61.3	27.7	1,007
<i>Trader – Entrepreneur</i>	50.4	20.8	1,218
<i>Salaried executive</i>	47.5	19.8	1,250
<i>Clerk and worker</i>	53.3	21.0	1,065
<i>Unqualified labour</i>	81.3	36.4	734
<i>Other</i>	61.5	28.4	1,089
<i>Whole country</i>	71.3	32.8	834

Source: INSTAT/ 99 Household survey (EPM 99)

I.2.1.3 Geographical incidence

The phenomenon of poverty does not present the same features in the six provinces. In terms of monetary poverty, the province of Antananarivo appears to be the least poor with a poverty rate of 61.7% and per capita average expenses of MGF 989,000 a year. Over 75% of the inhabitants in the provinces of Mahajanga and Fianarantsoa live below poverty line ; they are therefore the most affected provinces , but the intensity of the phenomenon is higher in Fianarantsoa (40.2%). Programmes aiming at fighting against poverty will have to take the situation of these two provinces into account.

The three other provinces present similar poverty rates which are around 71-73% and the same intensity which is in the range of 32-34%.

Table n°07: Distribution of annual per capita expenses

<i>Province</i>	<i>Poverty ratio</i>	<i>Poverty intensity</i>	<i>Per capita expenses</i>
<i>Antananarivo</i>	<i>61.7</i>	<i>26.0</i>	<i>989</i>
<i>Fianarantsoa</i>	<i>81.1</i>	<i>40.2</i>	<i>676</i>
<i>Toamasina</i>	<i>71.3</i>	<i>32.6</i>	<i>824</i>
<i>Mahajanga</i>	<i>76.0</i>	<i>36.5</i>	<i>760</i>
<i>Toliary</i>	<i>71.6</i>	<i>33.6</i>	<i>808</i>
<i>Antsiranana</i>	<i>72.6</i>	<i>32.0</i>	<i>853</i>
<i>Whole country</i>	<i>71.3</i>	<i>32.8</i>	<i>834</i>

Source: INSTAT- 99 Household survey (EPM 99)

Monetary poverty or poor income are not the only aspects of poverty. It entails some alienation and major impediment to the exercise of the citizen's civic political, cultural and economic rights. In other words, it is the root of denial to human rights.

Access to basic social services (education, health, water supply ...) is an important parameter to consider for understanding its extent and acuteness.

I.2.2. ASPECT OF POVERTY IN THE EDUCATION SECTOR

Distress in terms of monetary income is coupled with deprivation in terms of education. In 1999, illiteracy affected nearly half of the population , of which 61% from rural areas (against one third from urban areas). Although some improvement has been observed compared to the 1997 situation, all school age children are not enrolled in schools, net primary school attendance rate being only 70.1% for the whole country , 54.2% for the poorest quintile and 88.1% for the richest quintile. The majority of those who do not attend school or who are early school leavers come from the poorest sections of the population and this phenomenon is more pronounced in rural areas.

Thus, 18% of pupils leave school before they complete the basic education cycle without acquiring the necessary knowledge and skill. Besides, it is to be noted that, among 54.2% of the poorest quintile, 25% of households are headed by female breadwinners and 38% of these households are headed by a single parent with a female breadwinner. Poverty can be mirrored through:

- malnutrition affecting children in particular (48.5%) as well as pregnant women and feeding mothers (41.7%);
- the absence of post-literacy structures to maintain acquisition;
- the low contribution of vocational training for the assets of the rural sector;
- girls' early marriage;
- the low level of education among the pupils' parents, education which might help increase school attendance;
- the minor importance of the role of the press as a means of cultural exchange and promotion of culture...

Table n°08: School attendance rate by level : (TBS: gross attendance rate , TNS: Net attendance rate)

Level	Rate	Antananarivo		Fianarantsoa		Toamasina		Mahajanga		Toliary		Antsiranana		Whole country	
		97/98	98/99	97/98	98/99	97/98	98/99	97/98	98/99	97/98	98/99	97/98	98/99	97/98	98/99
Primary	TBS	117.0	117.5	101.0	104.3	110.8	111.8	99.0	99.0	69.4	63.3	117.0	129.2	103.6	104.8
	TNS	78.3	78.3	68.0	67.8	72.4	76.7	64.6	56.8	44.9	62.4	72.3	76.8	68.2	70.1
Secondary 1 st level	TBS	28.0	28.0	14.6	15.9	16.5	18.6	14.6	15.1	9.7	10.3	22.6	19.6	18.8	19.4
Secondary 2 nd level	TBS	11.5	11.2	4.8	4.6	4.8	4.3	4.0	3.8	3.2	3.2	6.6	6.1	6.6	6.3

Source : 97/99 Household surveys (EPM 97/99)

Table n°09: Distribution of the population according to level of education , place of residence and gender

Level of education	Residential environment		Gender		Whole country
	Urban	Rural	Male	Female	
Uneducated	30.1	54.3	46.8	50.6	48.7
Primary	42.3	38.9	40.1	39.3	39.7
Secondary	25.2	6.5	12.1	9.5	10.8
University	2.4	0.3	1.0	0.6	0.8
Whole country	100.0	100.0	100.0	100.0	100.0

Source: INSTAT / 99 Household survey (EMP99)

Even if inequality related to gender does not appear to be marked, feminine gender seems nevertheless to be disadvantaged . Given the fact that it weighs heavier on the Malagasy population as a whole, and that uneducated mothers are less capable of seizing any information required for their socio-economic insertion and less capable of applying family planning, this dimension must be taken into account and integrated fully in a poverty reduction policy.

Low school attendance rate and illiteracy are the result of various factors. Because of their poverty, people are often unable to face costs related to school attendance (school materials, insurance fees, parents' associations membership fees , possible school fees...). Some parents do not trust the educational system: shortage of teachers and educational materials, dilapidated classrooms, teachers lacking motivation and practising parallel secondary activities, insecurity. They find it more profitable to make their children work and pay for family expenses than send them to school. Moreover, the long distances to schools and the degradation of roads and rural tracks , especially during the rainy season, demotivate teachers as well as parents. But such a situation has evolved, pursuant to some achievement by the Government relating, among other things, to the recruitment of new teachers in rural areas, the reconstruction and rehabilitation of some school buildings, payment of teachers' salaries closer to their working place, distribution of teaching and learning materials...

Regarding a different matter, the problems relating to technical and vocational training are still existing. The action programmes implemented do not meet the needs. As for university education, poverty shows through the decaying infrastructures as a whole, the materials as well as the dilapidated state of the university environment.

The regression of school attendance and dropout phenomena are one of the main causes of illiteracy. It is the reason why informal education appears to be a credible and reliable alternative to meet the basic educational needs of the population.

Low public expenditures allotted to the sector surely are a major cause to the problems observed in education. Credits allotted to education are insufficient and those allotted to non formal sector are insignificant. Credits allocated to the sector⁶ represent less than 20% of total public expenditures and are around 2% of GDP.

However, real improvement has been observed these last few years with a policy of resource allocation which further reflects the priority given to education. Thus, between 1995 and 1999, the resource appropriation to education were increased from 8.7% to 18.3% of total budgetary expenses and from 1.5% to 3% of GDP.

⁶ Higher education not included

Table n°10: Budgetary expenses allocated to the education sector

	1,995	1,996	1,997	1,998	1,999
	<i>(In billion of MGF)</i>				
Total Expenditure⁷	2,373.8	2,883.4	3,137.9	3,819.5	3,790.9
Expenditure in Education	207.0	278.1	403.5	512.3	692.1
Primary and Secondary Education	165.6	231.0	290.4	374.6	538.2
Technical Education			38.0	44.5	43.6
Higher Education	41.4	47.1	75.1	93.2	110.3
Non Salary Current Expenditure	62.3	63.7	82.8	103.1	118.7
Primary and Secondary Education	30.6	32.1	35.9	51.4	63.1
Technical Education			5.0	5.1	7.4
Higher Education	31.7	31.6	41.8	46.6	48.3
Salary Current Expenditure	135.9	169.6	225.1	303.4	394.2
Primary and Secondary Education	127.9	156.6	198.3	263.2	349.8
Technical Education			11.1	11.3	15.1
Higher Education	7.9	12.9	15.7	28.9	29.2
Investment Expenditure (PIP)	8.9	44.9	95.6	105.7	179.2
Primary and Secondary Education	7.1	42.3	56.2	60.0	125.4
Technical Education			21.9	28.1	21.0
Higher Education	1.8	2.6	17.6	17.6	32.8
	<i>(In percent of Total Expenditure)</i>				
Expenditure in Education	8.7	9.6	12.9	13.4	18.3
Primary and Secondary Education	7.0	8.0	9.3	9.8	14.2
Technical Education			1.2	1.2	1.1
Higher Education	1.7	1.6	2.4	2.4	2.9
	<i>(In percent of GDP)</i>				
Expenditure in Education	1.5	1.7	2.2	2.5	3.0
Primary and Secondary Education	1.2	1.4	1.6	1.8	2.3
Technical Education			0.2	0.2	0.2
Higher Education	0.3	0.3	0.4	0.5	0.5
Nominal GDP (in billion of MGF)	13,479	16,224	18,051	20,343	23,379

Source : Ministry of the Budget and Development of the Autonomous Provinces - Ministry of Finance and Economy

L2.3. ASPECT OF POVERTY IN THE HEALTH SECTOR

The 1997 Demographic and Health Survey (DHS) indicates that , if life expectancy at birth is age 54 (estimated at 57.5 in 1999), it is only age 40 for 32% of the population. Moreover, there has been very little variation in maternal mortality rate since 1985 and in 1997 it was 488 in 100 000 living births. Like in other developing countries, it heavily contributes to Madagascar high mortality rate (14 in one thousand in 1997). Child mortality is 96 in one thousand, and child-juvenile mortality rate is 164 in one thousand.

⁷ concept of Central Government Accounts

Table n°11: A few data reflecting human poverty related to deprivation in terms of life expectancy

	<i>People whose life expectancy does not exceed age 40 (in % of total population)</i>	<i>Child mortality rate (in 1000)</i>	<i>Child-juvenile mortality rate (in 1000)</i>	<i>Maternal mortality rate (in 100 000 living births)</i>
1997	32	96 ⁽¹⁾	164**	488
1993	-	97	159	-
1985	-	117	204	507
1960	-	178	-	-

Source: DHS, 1997

The state of the population's health is an essential factor of their welfare and their capacity to be productive. According to the 99 Household Survey (EPM 99), malaria and respiratory infections are the types of disease which mostly affect the population (respectively 25.8% and 23.3% of the diseased). People of working age (25-59 age group) and children under 5 are the most affected by the two diseases. Moreover, diarrhoea disease is what most affects these children under the age of 5 (41% of cases), who are also victims of retardation because of malnutrition (48% of these children) and low vaccination rate (a quarter of babies at birth are protected from neonatal tetanus and 32.4% of children have completed their vaccination before their first year of age). These types of disease contribute to high mortality rate in general, and to high child mortality in particular.

As for health problems related to sexuality and reproduction, we can note the early age of mothers giving birth to their first born (in 1997, 36% of 15-19 age group have already given birth to a baby against 29% in 1992), high STI prevalence (592 in 100 000 in 1997) but low HIV prevalence (0.02% in 1989 and 0.99% in the target group in 1999, the most affected age group being age group 20-29). According to UNAIDS estimates, the prevalence rate was 0.15% for the overall population in 1999. The cumulative number of AIDS sufferers increased from 2 cases in 1987 to 37 in 1997, the most struck age group being 30-39.

The extremely low incomes of the population mainly account for the fact that they do not have but rarely recourse to health services. Because of the pressure put on them by food expenses (70.2% of total expenses), households allocate only 2.4% of their expenses in health care. Moreover, because doctors' charges are relatively expensive, less than half (45.9%) of the diseased have consulted one. The cost of one medical consultation (cost of medical act, medicines, transport and meals...) represent 5% of annual per capita average income of the poorest households, against 2% for the richest ones.⁸

⁽¹⁾ That is respectively 78 and 105 for urban and rural areas

(**)That is respectively 127 and 174 for urban and rural areas

⁸ According to 1999 Household survey, one medical consultation costs MGF 10, 880 for the poorest households whose average annual per capita income is MGF 229,649. For the richest, one medical consultation is MGF 36,930 with an annual per capita income of MGF 1.5 million.

Added to these factors is the long distance to or even the non existence of health centres and health officers in some communities, together with non availability of medicines. About 60% of the population live within 5 km of or about one hour's walk from a public health centre . In rural areas, 37.2% of health centres are 10 km away from the villagers' place of residence. Medical staff distribution is unequal, 21% of the population (mainly in urban areas) benefit from 41% of health officers. On average one doctor is in charge of approximately 10,000 inhabitants⁹ and most health officers work in urban areas.

As for medicines, only 38% of the *fokontany* in rural areas¹⁰ have medicines available all year long and 53% seldom have any. In urban areas, these figures are respectively 71% and 22%.

Across the country as a whole, public health services¹¹ have a prevailing position. They are the most used (59% of patients), particularly by poor households (78% of the poorest). In rural areas, these services are the most attended (61%). Private sector health service providers comprise NGOs, religious communities , and liberal doctors. 26.2% of patients consult them , particularly the rich ones (36% of the richest). In urban areas, these private health service providers are the most attended (38% of consultations in big towns and 53% in the Capital city).

The 1996-2000 health policy is oriented towards the development of more efficient services by implementing various sector reforms (reproductive health, integrative care of children's illnesses, vaccination and nutrition , sanitary information system ...) and by increasing public expenditures allocated to the health sector. Between 1995 and 1999, although these expenditures have increased from 3.4% to 7.6% of the total public expenses, the percentage in relation to GDP has risen from 0.6% to 1.2%

Table n°12: Budgetary expenses allocated to the health sector

	1995	1996	1997	1998	1999
	<i>(In billion of MGF)</i>				
Total Expenditure ¹²	2,373.8	2,883.4	3,137.9	3,819.5	3,790.9
Expenditure in Health	80.4	113.8	178.4	199.0	287.9
<i>Non Salary Current Expenditure</i>	38.2	49.2	61.2	69.7	78.8
<i>Salary Current Expenditure</i>	36.6	45.9	55.4	52.2	79.5
<i>Capital Expenditure (PIF)</i>	5.6	18.7	61.7	77.2	129.6
In percent of Total Expenditure	3.4	3.9	5.7	5.2	7.6
In percent of GDP	0.6	0.7	1.0	1.0	1.2
<i>Nominal GDP (in billion of GDP)</i>	13,479	16,224	18,051	20,343	23,379

Source : Ministry of the Budget and Development of the Autonomous Provinces - Ministry of Finance and Economy

⁹ Second national report on human development , Madagascar (INSTAT, 1999)

¹⁰ 1997 Community survey

¹¹ Public health services comprise hospitals and basic health centres.

¹² concept of Central Government Accounts

I.2.4. ACCESS TO DRINKING WATER AND OTHER WELFARE SERVICES

Only 23.6% of households¹¹ (10.4% in rural areas) have access to drinking water , an essential element for health. Only 7.1% of the poorest households have access to drinking water against 46% among the richest.

The province of Antananarivo is the best served (38.8%) as in the Capital city , over 92% of households have access to drinking water. The province of Toliary which benefits from the input of various water supply projects (AES, impluvium, etc..) comes next (24%). It is in the province of Antsiranana that the lowest rate is observed (11.9%) due to the fact that the population mainly takes water from rivers, springs and lakes which are numerous in this province.

Regarding housing, the majority of the population does not benefit from comfortable commodities. Indeed, 80.7% of the population live in traditional type houses and only a small minority (5%) of the Malagasy lives in flats or modern villas¹³. Only 13.7% of households have access to electricity , and one household in five uses paraffin as a source of lighting. In rural areas, electrification reaches only 3.7% of households.

The situation in terms of hygiene and sanitation is also worrying. Only one household in two has a system of excreta drainage system , with marked differences among the provinces , the best equipped in the matter being the province of Antananarivo (86%). In some regions, tradition and customs can account for this situation which nonetheless favours the development of diseases such as bilharziose or cholera.

Table n° 13: Welfare access distribution by province

	<i>Proportion of households with excreta drainage system (flush bowl, latrines)</i>	<i>Proportion of households dumping their rubbish themselves</i>	<i>Proportion of households having access to drinking water</i>
<i>Antananarivo</i>	<i>86.0</i>	<i>20.9</i>	<i>38.8</i>
<i>Fianarantsoa</i>	<i>36.6</i>	<i>53.5</i>	<i>14.2</i>
<i>Toamasina</i>	<i>70.1</i>	<i>64.2</i>	<i>16.9</i>
<i>Mahajanga</i>	<i>12.7</i>	<i>69.7</i>	<i>19.9</i>
<i>Toliara</i>	<i>13.5</i>	<i>66.5</i>	<i>24.0</i>
<i>Antsiranana</i>	<i>40.9</i>	<i>73.3</i>	<i>11.9</i>
<i>Madagascar</i>	<i>50.2</i>	<i>52.4</i>	<i>23.6</i>

Source: 99 Household survey (EPM 99), INSTAT

¹¹ Priority household survey (INSTAT, 1999)

¹³ Priority household survey (INSTAT, 1999)

I.2.5 HUMAN DEVELOPMENT INDEX

If we retain only one of the synthetic indices used by specialists, let us quote Human Development Index (HDI)¹⁴. According to this indicator, with a HDI of 0.453, Madagascar is part of the countries where human development is low and in 1997 it ranked 147th in 174¹⁵ countries. The following table shows the distribution of this index for the six provinces, with values varying from 0.356 to 0.515. However, there has been some real improvement compared to the 1993 situation when Madagascar ranked 150th with a HDI of 0.349¹⁶.

Table n°14: Indicators for the six provinces of Madagascar

INDICATOR	TANA	FIANAR	TOAM	MAHA	TULEAR	DIEGO
HDI	0.515	0.356	0.427	0.383	0.382	0.444

Source: INSTAT

All the remarks made so far lead us to one conclusion: in its different characteristics poverty is mainly focused in rural areas, and small-scale farmers represent the most destitute section of the population.

I.3. CULTIVATION CONDITIONS AND ENVIRONMENT DEGRADATION

In Madagascar, irrigated rice fields consist of more than half of cultivated areas, with a high percentage of métayage system. Half of rural households share less than 2% of irrigated land, whereas about 10% of households own the most fertile land. There is inequality in access to land property.

On average, farmers' households cultivate 1.2 hectares. This small size of cultivated land renders mechanisation difficult to apply. These poor farmers have little access to agricultural inputs, new production techniques and loans.

The poorest of them cultivate pluvial crops on hillsides and have recourse to slash and burn technique to access to the land.

The multiple and disastrous consequences of this situation are as follows:

- **accelerated erosion phenomena**: Because of the disappearance of the vegetal cover, and given the relief of the country and the nature of soil, erosion is accelerated during the rainy season. It was estimated that every year, 200 to 400 tons of the arable layer of the soil in one hectare are

¹⁴ HDI value reflects advances achieved in most human basic capacities (living a long life, acquiring knowledge and enjoying a correct standard of living). HDI value varies from 0 to 1 making temporal and spatial comparisons possible.

¹⁵ World report on human development (UNDP, 1999)

¹⁶ World report on development (UNDP, 1999)

washed away by rain whereas the world average is around 11 tons in one hectare a year. As a dramatic consequences, arable land is swept away , land lacking organic and mineral fertilisation is increasingly run off , ground water is exhausted and springs dry up, reservoirs , dams , ports silt up (10,000 Ha of rice fields silt up each year , which represents 20,000 tons of rice paddy), resulting in overcost for infrastructure and maintenance.

- **lost organic matter and decreased soil fertility:** bush fires result in the elimination of fixing bacteria and the destruction of the micro fauna active in the living layer of the soil leads to decreased fertility. This greatly affects the yield all the more that the land is cultivated without any organic or mineral fertilisation for many consecutive years.

- **impact on pasture:** poor quality fodder due to repeated fires on pasture land only leaves rustic species unsuitable for feed (800,000 ha of grassland were destroyed by fires in 1998). This degeneration of pasture has a negative impact on dairy production and on livestock breeding productivity.

- **impact on forest environment:** forest fires (from 150,000 to 200,000 ha of forests are destroyed each year: at this pace, within 40 years , there would remain only scraps of forests like those that can be seen on the highlands) temporarily but sometimes definitively disrupt ecological balance in forests, causing water resources to diminish or disappear. The movement of wild fauna due to these fires also leads to the transmission of diseases (plague, rabies) .

- **impact on bio-diversity:** Malagasy fauna and flora which constitute a genetic capital unique in the world are disappearing because of the destruction of their biotope. This destruction would cause an inestimable loss not only for Madagascar but also for the whole world.

- **impact on the climate:** forest cover destruction decreases rainfall. Without the forest cover, wind blows humidity away to other regions, hence drought and desertification phenomena.

- **impact on the economy:** decreased agricultural productivity, declined fertility, destroyed forests , damaged infrastructures, high maintenance cost draw heavily on the economy.

It is mainly the rural world that bears the consequences of the phenomena described above. The cycle is thus completed: decreased productivity, lost arable land lead the farmers to more clear forests, hence worsening the destruction /degradation cycle.

A similar situation is recorded in the halieutic sub-sector with a high predominance of small-scale fishing production. The rudimentary fishing techniques and materials used, coupled with the small range of action of the boats, restrict the fishing activities to areas around the villages which are thereby threatened with overexploitation

Poverty favours the adoption of personal strategies that privileged the quest for "miraculous" solutions to the contempt of law, integrity of human being, and environment preservation. For poor people and non-poor who feel threatened to fall into poverty, this results in a craze for chance games, the decision to migrate or emigrate to more prosperous areas or countries, turning to delinquency, prostitution, developing corruption, overexploitation of non-renewable natural resources, rooting of a dual attitude of servility/hostility toward the public authority and foreigners, often perceived as both potential source and solution to the state of poverty.

In spite of the recent good economic results and basic services restructuring measurements , poverty in Madagascar has created the conditions for its spatial reproduction and its transmission between generations. Low income and the part of food expenses in poor household budget limit their access to the basic health services, decrease school enrolment rate and increase dropout rate. The high illiteracy rate for age group 10-14 years old, that shows not only how relative the success of adjustment programmes undertaken is but also highlights that it conditions the efficiency of actions to come: these adults to- be run the quasi unquestionable risk of enlarging in the short run the important rank of non-educated breadwinners, so they are less likely to seize the opportunity offered in order to improve their situation and that of their off-springs: agricultural techniques, birth control, child education and so on...

Such situations should be avoided, and the strategies to be adopted must be ambitious, realistic and realisable, allowing the poor to come out of poverty and the non-poor not to fall into it.

II.1.- OVERALL OBJECTIVES

II.1.1.- ECONOMIC OBJECTIVES: CHALLENGES IN GROWTH AND INVESTMENT

During the last three years, economic stability was reached and activity has been significantly accelerated. Average inflation went from more than 50% between 1994 and 1995 to approximately 5.9 % during the 1997-1999 period. The economic growth rate reached 3.6% in 1997, and is projected to go beyond 4.8% for year 2000. The economy is thus set out again on new basics, thanks to the re-establishment of confidence, reinstoration of country credibility, and the implementation of vigorous reforms.

The initiated dynamics should be continued in order to generate economic growth rates still higher averaging 6.3% per year during the 2001-2003 period. Income rise, that would be generated from growth, will evolve to a progressive recovery of the whole population standard of living. A growth profile that would be favourable to the poor will be sought, inter alia:

- by controlling the inflation,
- through a procedure that allows to broaden economic opportunities offered to them,
- the leading effect that high potentiality sectors (tourism, halieutic resources, manufacturing industries, mine) will exert on the other branches of the economy, and
- the increase of the national budget rate in relation to GDP, allowing an even higher allocation to the benefit of basic economic and social infrastructures.

II.1.2. LIFE QUALITY OBJECTIVES

Reducing poverty also consists in safeguarding and improving life quality of the population by taking into account of the "gender" dimension, taking actions that help solve the various identified problems in the analysis of the poverty characteristics. Thus, in the long run, namely, at the at the eve of 2015, the following social indicators will significantly improve compared to the current situation:

- the monetary poverty rate,
- the net school enrolment rate,
- the achievement rate in primary education,
- the literacy rate,
- the life expectancy at birth,
- the infant mortality rate,
- the child-juvenile mortality rate,
- the maternal mortality rate,
- the rate of population accessibility to quality care,
- the drinking water access rate and to collective sanitation network.

As for HIV/AIDS prevalence rate, the objective is to maintain it at relatively low level .

The objectives for these social indicators will be specified for the short and medium term within the action plan framework that would be worked out over the period 2001-2003.

II.2. STRATEGY AXIS

Poverty reduction will aim at:

- seeking an even stronger and sustainable growth, which will benefit the poor, while paying a particular attention to the rural areas because all the indicators underline the alarming character of poverty in the countryside,
- developing effective action plans at the level of the priority sectors such as education, health, water supply, and basic infrastructures, in particular rural tracks,
- developing institutional and human capacity building.

II.2.1. - Axis No 1: To improve the economic performances with the participation of the poor

II.2.1.1. - A strong and sustainable economic growth

For the period from 2000 through 2003, the Government plans to bring to completion the measurements included in its present financial and economic programme and to catch up with the possibly noted delays in its application. It intends to put in practice the favourable frameworks to the foreign direct investments for the sectors with potential high growth, which are tourism, halieutic resources, mines, manufacturing industries and telecommunications. The Government thinks that it would be reasonable to achieve an 6.3% GDP growth in 2003, resulting from structural and institutional reforms being implemented.

For this period, the Government will take supplementary measures aiming to:

- ensure a small and large scale revival in agriculture, close coordinating with the other priority activities,
- preserve the environment and to make it possible to the population, mainly the poor, to be interested in and to endorse this preservation,
- develop industries , of which the manufacturing industry, an industry geared to domestic market, by seeking for vertical integration, in food industries in particular. This will be worked out in consultation with the principal actors, taking into account the implementation of the decentralised institutions, clarifying the legal environment of the business, and ensuring the rehabilitation and the maintenance of the transportation infrastructures.

These measurements, as well as the pursuance of reforms in the civil service and the financial sector, will set the basis for an even more constant growth from 2004 on. In considering the past years experience, the Government will make the provisions to quickly advance the privatisation programme, while clarifying the various administrative task distributions in the harmonious execution of the process. Finally, the Government will continue to aim at controlling public deficit and to apply a careful management of the monetary policy in order to control inflation.

From 2004 on, the economic growth will depend on the performances recorded in the reform rate and the depth of the reforms underway. An average growth at least as high as during the period 2001-2003 is necessary to reduce poverty to the third of the population at the end of the period. These prospects are possible if the opportunities offered by the international market and the rate of reform implementation are respected. The Government will take these growth levels as the basis for programming the actions against poverty, and will work it out in order to meet the conditions for their realisation. These conditions particularly concern the decisions on the investments of the large mines, the tourism and telecommunication sectors, the maintenance of the dynamism in the exporting and manufacturing sector, the revival of the agricultural sector that would help ensure an average growth of the sector added value to exceed 4%, the return to competitiveness of the manufacturing sector outside the free zones, and the advancement of the public enterprises privatisation programme.

II.2.1.2. An economic growth that benefits the poor

The strategy of the Government to help the poor take in hand their destiny is to multiply everyone's chances to make for a living. For that end it is necessary to provide the poor with the means to get a job, to increase their incomes, to give them access to the land and credit, and to allow them to launch small businesses. In addition to allocating the priority budget in favour of primary education and basic health, four principal tracks will be exploited:

- the access of the poor to the infrastructures (roads, transportation, rural market, Community granary, communication, energy, and drinking water),
- the rise in productivity of the agricultural sector, in particular that of small scale agriculture,
- the promotion of micro-credit, micro businesses, additional activities such as short cycle farming, and the craft industry in general, and
- the development of the work and sectors of production with high intensity labour.

Particular attention will be paid to the improvement of women's access to these programmes.

II.2.2. Axis n° 2: To develop the basic essential services (education, health, and drinking water...) and to widen the security nets to benefit the most vulnerable layers of the population

The quest for equity in the growth results distribution, which constitutes a priority for the next few years, consists in taking the priority actions at the level of the social sectors, in such a way that the fight against poverty reduces in a tangible way the difference between the rich and the poor as regards access to the essential public services and quality of life.

The priority budgetary allowances in favour of the social sectors will then be continued and intensified so as to:

- increase the school net enrolment rate,
- increase the achievement rate, mainly in primary education,
- increase the literacy rate,
- ensure the supply of basic health service to the poor, in particular through some well supplied CHSs in medicines and staffed with competent medical personnel,
- continue and improve the public awareness campaign against sexually communicable diseases, namely against HIV/AIDS. In order to, at least, keep the present low prevalence rate (enhance the participatory cross-sectorial process of the strategy development)
- ensure that the population be supplied with drinking water through public and private programmes of water supplies,
- control the demographic growth by continuing and improving information – education – communication (IEC) campaigns,
- enhance the access of the poor to health infrastructures through the public-private-NGO complementary cooperation on the basis of health maps, and
- pursue and broaden the social programmes targeting the most vulnerable segments of the population, in partnership with the effective caritative organisations.

II.2.3. Axis n°3: to implement an institutional framework favourable to economic growth and poverty reduction, and to build capacity in order to improve the governance and the relations between the administration and administered

II.2.3.1. Setting the autonomous provinces

The constitutional provisions setting the Autonomous Provinces aim inter alia at bringing the Administration closer to the population and at improving its effectiveness.

The Government endeavours to set up in a progressive and appropriate way the decentralisation and the devolution of the power in favour of local government. Regional specificity as regards poverty, but also as regards potentiality, will be better apprehended by this process of decentralisation and empowerment of individuals and the local communities .

II.2.3.2. - Improvement of the public affairs management

The obligation to reporting constitutes an essential element of the social contract binding the governors with the population. The efforts carried out in this direction will be pursued and deepened, and the capacities built, in particular at the level of the Justice, the State General Inspection, of the Audit Office, the Central Market Commission, the Customs, and tax services.

The Civil Service reforms will be led to completion and the progress recorded at the level of Justice and the public security will be strengthened and extended.

III.1. PROGRAMMES HELPING REACH THE OBJECTIVES OF STRATEGY AXIS N°1.

To attain sustainable growth high rates, the Government actions will focus on offer incentives in a stable macro-economic environment.

III.1.1. MACRO-ECONOMIC POLICY

The macro-economic policy aims at a strong non inflationist growth. In order to increase investment percentage compared to GDP, incentives to increase the national savings (public and private) will be pursued and improved. In view of the insufficiency of the current national savings, resort to international savings, especially direct foreign investments (FID), are a must so as to be in the same line as the objectives pledged in terms of growth rate.

The objective is to reach a 12.8%¹⁵ tax pressure rate of GDP in 2003. Efforts achieved to this end will be pursued and developed, in particular by :

- hiring and training staff,
- restructuring the departments in charge of tax collection,
- strengthening the structures monitoring tax revenue,
- setting up the large Enterprises Administration Service (SGE) in all provincial capital as well as fiscal field,
- extending the excise tax scope of application,
- setting up synthetic tax for activities not subjected to corporate tax,
- conducting a survey for the purpose of defining taxable basis and the applicable scales,
- modifying the system petroleum tax collection,
- setting up a tax collection unit.

The Government will seek to improve the expenditures circuit for the latter to contribute more efficiently to reach the objectives, especially for the Departments in charge of social sectors. They will pursue the dialogue with their technical and financial partners in the area concerned.

To better follow up the expenditure the Government means to take measures¹⁶ concerning the State General Inspection (IGE), the Audit Office and the procurement contracts.

Reduction of the public deficit will be pursued so as to avoid a phenomenon that prevents the private sector from accessing to credit by resorting less to banking system financing.

A careful monetary policy aiming at price stability and using direct regulation instruments will be maintained in the framework of the Central Bank independence.

¹⁶ Cf Appendix 1 : Matrix of measures for the improvement of incurring expenses

The main macro-economic aggregates for 2000-2003 and the following years' projections are attached in the current paper 's appendix .

III.1.2 INCREASE IN THE OFFER

Madagascar is endowed with economic potentials enabling it to achieve high growth in the medium and long terms. These potentials include buoyant sectors such as tourism, mining, manufacturing industry geared to exportation, water resources, and agricultural sector, an important part of which still remains under-exploited. In the next three years, the economic growth will draw from these sectors. Tourism activity will grow at an average rate of 15% per year between 2001 and 2003.

Added value in the mining sector , which will still show a modest growth in the next two years, respectively 3% in 2000 and 5% in 2001, will experience an important increase in the medium term as projects on titanium sand exploitation in the south and Nickel in Moramanga area will be starting. The manufacturing industry whose growth will still remain low between 2000 and 2001 due to the importance of stalling branches, will experience a faster growth in 2002 and reach over 9% in 2003. Agriculture will still grow at an average rate of 5% per year for the 2001-2003 period .

III.1.2.1. Setting an environment favourable to private sector development.

The growth objectives retained will be reflected in important efforts in investments, not only in terms of volume but also in terms of productivity. The private sector being considered as the engine of the economic growth, two factors mainly influence investment in the field: a more motivating and securing environment, and adequate infrastructures. The Government actions will, therefore, aim at the public investment efficiency and the stimulation of national and foreign private investment. In addition to the setting of a healthy macro-economic frame, the Government will :

- continue to set an adequate institutional and legal environment by reducing administrative procedures, judiciary business law reforms, access to land property , finalisation of the privatisation of state-run societies and the liberalisation the movement of capital ,
- set up adequate economic infrastructure which should alleviate constraints to the development of the private sector, the road network in particular,
- develop a national programme that includes acknowledgement and revision of the land tenure legislation (ODOC, collective registration) and modernisation of land tenure conservation,
- define the practical modalities enabling territorial communities to manage national private property through texts of the law on land tenure as far as security is concerned,
- develop a land taxation system where the performances are less hazardous, and
- increase the jurisdiction of mobile land courts .

In the dynamics of investment, public investment will still be, in terms of GDP percentage , above that of private investment up to 2001 because of reconstructions after the passage of the cyclones in early 2000 and the putting in place of the basic infrastructures. However , with the completion of the main part of the privatisation programme, private investment is expected to grow in importance as early as 2001, as redynamisation of activities in the newly privatised

enterprises requires renewed equipment. In addition, foreign direct investment will play a key role, not only as a factor accumulating capital particularly in high-potential sectors, but also as a means for transferring and communicating productivity in the national production system as a whole. Private investment will overtake public investment as early as in 2003.

III. 1. 2.2. Buoyant sectors

Tourism. The island's potentials in tourism remain extensively under-exploited. With a rich fauna and flora, a biological diversity characterised by thousands of endemic species, Madagascar is an attractive destination for tourists; with over 14% growth rate per year in the past few years, tourism is one of the most dynamic sectors in the Malagasy economy. Although the direct added value in tourist activities hardly represent 1.6% of 1998 GDP, the corresponding revenue in foreign currency amounts to just under SDR 70 millions making the sector the country's first source of foreign currency. Tourism is bound to further develop in the next few years thanks to the setting of "land reserves" designed for the implantation of facilities in ecotourist sites and sea resorts to promote (Madagascar has 5000 km coast-lines). These pieces of land will be advertised for sale as early as 2000. Major tour operators with extensive know-how will come and settle in the sector and will serve as leading engine.

Manufacturing industry and Export Processing Zone (EPZ) . Created in 1992, the EPZ currently counts about 130 enterprises, employing over 40 000 workers and covering several working areas of activity from garment making to information processing. Its fast progression and its expansion perspectives in view of the country's assets make it that the EPZ is an important growth pole. Madagascar's eligibility to the Africa Bill initiative should help in the matter. To support such perspectives, the Government strategy consists in keeping the present inductive tax policy.

Mining. The two major projects already identified, the exploitation of titanium sand and the exploitation of nickel and cobalt could eventually double the size of the mining sector. Precious and semi-precious gems equally present interesting perspectives. The Government strategy, to allow the exploitation of these potentials, consists in

- designing a monitoring system for mining activities in conformity with the set of measures in the mining code and the application of texts of law relating to mining;
- promoting large mines through the preparation of law related to large investments;
- developing small-scale mining exploitation while improving hygiene and security conditions and the respect of the environment, and eradicating illicit trade and exploitation;
- increasing knowledge of geological and mining data by reinforcing the mining cadaster and registration system ; and
- improving the collection of mining tax to enable the State to better assume their obligations.

Fishing and Aquaculture. The implementation of a transparent, competitive and non-discretionary shrimp fishing licences will help improve performance in the sub-sector and ensure more important economic results for the country, among others, higher tax and non tax revenues for the State. The Government will propose to investors areas favourable to aquaculture while ensuring strict environment monitoring.

III.1.3. AGRICULTURE AND ENVIRONMENT

The Government is convinced that the objectives of economic growth and poverty reduction as described in the current paper will not be attained without a reflation of the agricultural production. Even though measures based on market mechanism have been adopted for over 15 years, and the implementation of participatory projects for over 10 years, performances in the Malagasy agriculture remain low apart from the significant exception of sea fishing and aquaculture. In order to identify the actions to take at the local level, the Government initiated in 1999 a process of consultation in new of the elaboration of a Rural Development Action Plan. (PADR).

The process is steered by a body including the private sector and is based on 20 work groups in rural development at regional level (GTDR) in which five colleges of local actors are represented : devoluted services of the Ministries involved in rural development, decentralised authorities (municipality elects, deputies, territorial administration civil servants), non-Government organisations and rural development project implementing agencies and economic operators.

The Government will receive the summary of the Rural Development Regional Programmes (PRDR) prepared by GTDRs in November 2000. They will make the necessary amendments to sub-sectorial policies and will schedule a progressive integration into the plan for public investments in rural development regional programmes after consulting technical and financial partners intervening in the sector. The Government considers that this grassroot approach involving a large participation of actors is bound to better identify the impediments to the exploitation of comparative advantages in each region and entail a synergy between numerous interventions in the sector for a better efficiency of the actions.

Without making any judgement on the GTDR's conclusions related to the respective regions, the Government considers necessary to intensify the efforts already made for security in rural areas, for land security, necessary to organise farmers into trade organisations, to have an organisation by sector and some funding (micro-credits), and to develop income generating activities (cottage industry, short-cycle breeding, aquaculture) as well as research decentralisation. In view of the importance of rice in the sector and in nutrition, the Government has undertaken a review of the sector and the findings of this survey will help put in place a general intervention framework in the sector for the Government and their partners.

The Government believes that agriculture and food policy mainly based on small scale farming development must be complemented with an opening of the sector to important investors to ensure an easier integration to markets : exportation or integration of the sectors using agriculture-based raw materials.

This approach should enhance the settlement of large scale farms in large areas and allow some grouping of the population: a more dense population concentrated in high-potential areas will make the cost of infrastructure less prohibitive, thus service provision per capita will enhance demands and promote exchanges; it will facilitate grant process and land registration and will facilitate access to basic services and extension of agricultural techniques...

The Government is convinced that the actions favourable to the environment are expenses incurred in order to preserve public properties for which the necessary resources will still be granted with their partners support. The Government believes that the objectives of projects favourable to the environment consists in making the poorest rural population take part in such actions in order to ensure their efficiency and sustainability. The second environment programme (PE 2) works in the frame of a permanent consultation to further accountability in the protection of the environment.

The Government will complement the necessary measures so that the micro-economic benefits can be at the disposal of the poor in the framework of actions favourable to environment preservation : relative land security, temporary jobs in the frame of a high-intensity labour job situation, enhance soil fertility conservation. In this respect and from a larger perspective of productivity growth, the Government believes that the poor should benefit in priority from the extension and the support to the adoption of cultural practices which respect the environment and develop watersheds by restoring soil fertility (minimal tillage, direct seeding with cover, slow soil burning).

The future of agriculture, the development of the rural world and its relief from poverty state cannot be disassociated from the conservation of the unique capital that makes Malagasy biodiversity, from sustainable management of natural resources, increase of the wooded space areas and forest potential

The present pace in which the forest disappears dictates immediate measures, without waiting for all rural development problems to be solved. Among these measures is the Government decision to grant each municipality of a budget for reforestation based on the spirit of incentives (granting a bonus for the most efficient municipalities). This grant will later increase in accordance with the results achieved.

III. 1. 4. ECONOMIC INFRASTRUCTURES

The shortage in basic economic infrastructures impedes the improvement of performance in terms of economic growth and poverty reduction. In order to make up for infrastructure shortage (road network in rural areas, water supply, sanitation, river navigation, telecommunication and housing) the following actions will be undertaken in the short and medium terms, thus contributing to the population's integration in land-locked or isolated rural areas in more decent living conditions and in economic exchanges.

Concerning rural infrastructures, the actions will address:

- the adoption of the transportation policy in rural areas (PTMR) while improving the legal and organisational framework for transport and infrastructures,
- the acceleration of the rehabilitation or the building of "unland-locking" roads which give access to market points, health centres, schools and any other public utility services ; this will help reduce the isolation of individuals and communities,
- the rehabilitation and construction of port infrastructures, the setting of a better management framework,

- the facilitation of the modalities for raising the Road Maintenance Funds (FER) for the local communities,
- the promotion of rural market, village granaries, electrification of rural areas and drinking water supply,
- the development of a management and maintenance policy and rural infrastructure security with the population's active participation, and
- the building of technical capacity among the communities and private enterprises capable of undertaking some work in rural areas.

Besides the Government will strengthen its actions in:

- bringing to completion the reforms in the regulatory and legal institutional framework of the transport sector,
- ensuring a better distribution of infrastructure through investment designed for "unland-locking" road and for making people have access to drinking water and electricity,
- restoring, renewing and modernising existing infrastructures and ensuring their maintenance, inter alia road network, secondary airports, long-line and coastal trade ports, meteorological stations, railway network and facilities for the post and telecommunication exploitation,
- putting in place the best framework of post infrastructure management through private management, franchise, setting autonomous agencies, designing laws and adequate institutional framework, taking into account the new creation of the Autonomous Provinces in a concern for good coordination and well determined attribution, and
- developing a partnership framework between the Central Government and the territorial collectivities, the beneficiary communes, the private sector and associations in terms of investment and infrastructure management.

It is crucial that a culture of exchange and maintenance be acquired by the national community.

III.1.5. LEGAL ENVIRONMENT OF THE BUSINESS WORLD AND SOCIAL LAWS

In addition to the efforts to modernise, combat corruption and improve the implementation of the business law, the setting up of alternative modes of dispute settlement will be studied, especially through a credible arbitration system.

Also, the social obligations of the enterprises will be clarified and updated through the adoption of a new national employment policy , the reviewing of the labour code, the improvement and extension of rural protection, and the fight against the under-age-15 child labour.

III.1.6. TRADE AND REGIONAL INTEGRATION.

The regional dimension of any development policy is now unquestionable and Madagascar fully endorses the idea of regional integration despite the ups and downs of the enterprise and the difficulties related to approach differences by the countries involved.

Regional economic integration can be an important asset for development, and Madagascar is member of COMESA and leads the Indian Ocean Commission inside of which measures for easy trade were taken, in particular in custom duty Initiative (CDI).

Measures going in the line of free movement of capitals and therefore regulation made more flexible are to be envisaged.

III.2. PROGRAMMES HELPING REACH THE OBJECTIVES OF STRATEGY AXIS N°2

The Government wishes to manage to reach by the eve of 2015:

- a significant rise on average life expectancy with a reduction by less than 10% of the proportion of the population with life expectancy below age 40 through a broad access to basic health services, with a focus on the mother and the child , and a control of the main lethal diseases ;
- universal primary education ;
- higher percentage of households having access to drinking water : the totality of urban areas and at least 4 households out of 5 in rural areas ;
- generalization of basic sanitation techniques : latrines, cesspools and collective networks;
- strengthening the fight against illiteracy to reach a literacy rate of 80% in 2015;
- a reinforcement of the educational system for vulnerable groups, especially handicapped persons, street children and those having dropped out of school.

This objectives will be attained only by mobilizing resources sufficient to meet the needs in infrastructure, equipment, management and staff.

Interventions relating to infrastructures are useful only if the local implementation of the principles defined in the national policy is effective. For the health sector, it consists in ensuring facilities and supplying health centres with consumable and medicines and see to the availability, quantity- and quality-wise, of health personnel. For the primary education sector, the sectorial strategy aims at a better efficiency of the educational system, by granting learning and teaching materials, supplying school furniture, hiring motivated personnel, building capacity to monitor management, and enhancing an environment favourable to educational demand (canteen, water supply and sanitation, school garden). For the water and sanitation sector, accountability of the territorial collectivities and the users, cost recovery and rational exploitation of available resources are yet to organize in conjunction with overall legislation on water management as enacted in 1998. These provisions are already kept in the current ongoing programmes which have to be reviewed pursuant to the damages caused by the last cyclones and after the autonomous provinces have been set up.

III.2.1. ACTIONS IN THE EDUCATION SECTOR

The National Education and Training Improvement Programme (PNAE II) whose objective is to raise by 2 points per year the school attendance net rate, aims during the 1998-2003 period, to put in place universal primary education as quickly as possible, to gradually strengthen the expansion and improvement of secondary education, to modernize higher education and to ensure training required by employers and employees in order to improve productivity and cost effectiveness.

To this end, the Government is determined to strengthen the management of the sector by decentralising decisions and responsibilities at the level of provinces, educational circumscriptions and schools. For primary and secondary education, they will ensure : (i) appointment of a sufficient number of qualified teachers in rural primary schools, taking the results of the last census into account, (ii) the introduction of a budgeted post management system helping plan teachers' appointment at each primary school level, (iii) the proximity of the centres where the teaching and administrative staff salaries are paid, (iv) directly transfer to education institutions the increased budgetary resources meant for the acquisition of baseline teaching materials and essential school procurements, and (v) support to research-actions in order to improve the syllabus contents and the means of knowledge transmission.

In order to pursue development activities in the educational system and enhance learning success at primary school level, the creation of 3,060 classrooms by 2003 (excluding schools to rehabilitate after the passage of the cyclones) and the recruitment of at least 3,500 teachers before June 2002 prove necessary. The majority of the new teachers will be appointed in public primary schools the teachers of which are hired by the FRAMs (Associations of pupils' parents) or in schools where the ratio number of pupils per teacher is over 50. Incentives will be set for teachers working in rural areas. The Government considers that a proximity approach focusing on the situation of each school is necessary to effectively reflect the overall (national or regional) distribution at the pupil's level. Will be discussed with the technical and financial partners as well as the associations and NGOs involved in the sector the possibility of designing management actions which are as close to the school as possible: attribution of budgetary allocations, timely availability of the budget, scheduling the construction, rehabilitation or maintenance of buildings.

Increase in public operating budget and their redirection in favour of primary education will be mirrored in a direct budgetary grant to public primary schools which will increase every year, at least until 2003.

These actions should give room to more motivation for a quality education characterised by a reduction in the rate of primary education drop-outs and repeaters. The repeaters rate should be reduced down to 23% at the end of school-year 2001-2002 versus 31% to date.

Fight against illiteracy will be pursued in order to reach a 55% literacy rate in 2003 (versus 50.1% to date) through the reinforcement or creation of 2000 Polyvalent Resource Centres¹⁷ per year to reach 10 000 operational centres in five years' time. The number of literate population can be then considered to reach 750 000 people per year, i.e. an average of 75 people per year for each Polyvalent Resource Centre.

For higher education, the Government will pursue its adjustment by developing vocational training , improving of the training quality, reflating research, rationalising human resource management, and modernising administrative and financial organisation. The university

¹⁷ A "Polyvalent Resource Centre" is a place where people with some Education need for any sort, will find an answer to their needs, the present literacy centres" as well as the village libraries" are considered as future "polyvalent resource centres".

administrative and financial autonomy will be reinforced to enable them to recover a larger part the cost in university training and facilities.

As for vocational and technical education, a necessary activity to support a significant economic growth, the main development axes of the sub-sector relate to the five following points :

- adaptation of the training to the needs of the potential buoyant sectors as identified through the job situation analysis ;
- developing the training to baseline trades;
- development of training models which help meet the needs in senior staff skills and which will result in a gradual reduction of initial training, a classical technique up to 20% of all training formats;
- much more proximity to the training field by decentralising the training centres; and
- adapting the training to new technologies.

III.2.2. ACTIONS IN THE HEALTH SECTOR

The strategic directions of the health sector remain those described in the 1998-2000 master plan which advocate the decentralisation of the national health system and the reinforcement of district health offices, the increase of resources allocated to the sector, support to non-state operation development, especially through, the redynamisation of training centres and the community participation to health development.

Disease control focuses on vaccination, integrative care of child diseases and the control of main endemic diseases and epidemic through speedy joint actions. Between 2000 and 2003 maternal death rate, child death rate, child and juvenile death rate are reduced by an average of 4.5% per year and access rate to care will rise by 4% on average. Particular effort will be made for vaccination coverage which will rise from the 50% to date to 60% in 2001 (55% in rural areas).

Concerning child youth death rate reduction, the short and medium terms programme projects:

- generalised integrative care of child diseases (PCIME) in health centres, community sites and mainly in land locked areas;
- reinforcement of social mobilisation by involving the community in the frame of the vaccination extended programme, widespread management of micro-nutrient and in disease control .

It is hoped that the objective of mother death rate reduction will be reached, through:

- effective implementation of decrees and regulatory or/and legal texts bearing on abortion practice and hence the training and monitoring of midwifery by traditional midwives in land-locked areas
- extension of hospital with surgical mission and dispensing emergency obstetrical cares inter alia, and development of partnership with the non-profit oriented private sector and other stakeholders.

Health facility will offer services on family planning in parallel with the control of sexually communicable diseases, including AIDS which must be kept at the present prevalence rate by

intensify prevention and sensitising actions through information campaigns and communication. The screening and taking charge of STI/AIDS among pregnant women will be strengthened through screening taking place at the level of 159 CSB2/CHD. This activity will be reinforced strengthened a multi-sectorial approach (health, education, population, communication...) to be spelled in next national plan for AIDS control (....)

The availability of essential generic drug supplies and by quality blood products will be increased through a wide-spread financial participation of users (PHAGECOM), the operationality of the Central Markets and the working of Research and Blood Transfusion Centres and Blood Transfusion Stations.

At the end of 2003, over 2,100 basic health centres (excluding cyclone-damaged centres) should be operational with the appointment of sufficient personnel , doctors and assistants. Materials will be granted , buildings rehabilitated, and 12 additional district hospital will have been equipped to cater for common surgical interventions.

The poor will have facilitated access to health services thanks to:

- the establishment of solidarity mechanism at community level for the purpose of integrative care of the under-privileged and the excluded ;
- an increase of the subsidy allocated to the communes for the benefit of CSBs and CHDs whose budget will be steadily increased every year until 2003 ;
- the setting of pre-payment system for risk-sharing purposes and a solidarity mechanism for the poor as a strategy to supplement the user's financial participation (UFP);
- strengthening the decentralisation of financial management and the staff management as well as making decision relating to decentralisation at provincial and health district levels ;
- consideration of the "land-locked situation" factor in the distribution of human resources and financial resources as well as budget and credit allowances for these decentralised structures ;
- realisation of a partnership drawn up between the State, the autonomous provinces, NGOs, the religious organisations, the private sector, the local collectivities through a sub-contracting approach related to financing, provision of service in cure and prevention cares, and through participation to the development of the health districts.

Tables summarising the actions with the constraints and impediments are attached in the appendix of this paper.

III.2.3. DRINKING WATER AND OTHER WELFARE SERVICES

The policy and strategy put in place are based on the implementation of the principles set by the Water Code, namely :

- integrative management of the water resources and the liberalisation of the sector on the basis of a clear distribution of the roles and responsibilities of all stakeholders, the private sector and NGOs in particular ;
- organisation of the public service supplying drinking water and wastewater drainage on the basis of commune and beneficiary population's accountability;

- mechanism financing the sector on the pricing basis and a fair and efficient strategy for cost recovery of the water uses, setting up a national water resources funds, a rational use of the funds from external funding agencies and a active participation of private investors .

The overall objective which aims at rapidly increasing the proportions of population who have access to efficient and sustainable water services requires that the existing infrastructures increase with the participation of ongoing or future projects such as:

- the Pilot Project in Clear Water supply and sanitation in rural areas (PAEPAR) which forecasts for the 1998-2003 period the creation of 180 supplies distributed across the island and 500 drill-holes in the South ;
- the second cycle 2001-2003 of the sanitation project, clear water, Environment Primary Cares Project (AEPSPÉ)
- the second phase of underground waters development programme in Menabe area ;
- the AES activities in the South, and
- the various activities of the NGOs operating in various areas across the island, and so on ...

During the 2001-2003 period, the number of new infrastructures to achieve with the projects identified will total 2,558 of which 758 clear water supply systems and 1,800 wells and drill-holes. The objective consists in going well beyond these figures so that medium size towns and small size ones are equipped with a water supply system.

These actions will be complemented with some institutional provisions which provide the setting up of the Water Authority as well as IEC actions and community mobilisation for a better attendance to clear water supply facilities.

In addition, a sanitation programme and public health education will be developed to protect the environment against pollution and increase the proportion of the population who have access to sanitation infrastructures. Apart from strengthening sanitation legal and regulatory framework, the mobilisation of the community will be enhanced by IEC campaigns to convince families to build excreta drainage facilities and wastewater drainage systems, and raise the population's awareness to hygiene. The actions to implement should enable some 1,450,000 households, of which about 980,000 in rural areas, to dispose of excreta drainage infrastructures by the eve of 2003 and to 57,900 households in urban areas to be connected to collective drainage networks.

As far as housing is concerned , the objective is to give the population access to decent housing at reasonable prices. The Government will adopt inductive and facilitating policy through actions such as :

- the building of housing by promoters and private investors,
- the access to land tenure through the "one household/one plot land " programme,
- the promotion of build-it-yourself system,
- the support to the housing sector and to standardisation , and
- the setting up of a mortgage system .

III.2.4. SECURITY NETS

Precariousness and exposure to risks being more acute for the poorest, keeping and extension of specific measures for their purposes in each autonomous province prove necessary. These measures mainly relate the promotion of micro-credit system both in rural and urban areas, especially of women , the development of a national nutrition programme focusing on the mother and the child (SEECALINE) the pursuance of the community micro-realisation programme (FID) for setting up and maintaining public methods (HIMO) for setting up and maintaining public properties (infrastructures, environment and so on...)

III.3. INSTITUTIONAL DEVELOPMENT AND CAPACITY BUILDING.

The Government realises that these poverty reduction actions will not make sense without the pursuance of a good macro-economic management and the development of the administrative capacities necessary to the implementation of the programme. They seek to have the law and the regulations in force respected effectively as well as their enforcement. They consider that systematic sanctions against corruption acts, proximity of the courts to anyone at every level to whom the law applies, multiplication and effective use of any opportunities for economic and social dialogue are an integrative part of their effort to have better governance. This objective goes hand in hand in making Administration closer to the administrated.

III.3.1. THE DEVELOPMENT OF AUTONOMOUS PROVINCE

The Government considers that the objectives of poverty fight will be more attained easily in conjunction with a greater population accountability. Such a process will comprise not only a transfer of competence (and the means to use it) for the case of successful social sectors and local infrastructures (roads, public buildings) but also decentralisation and rapid modernisation in the practice of some essential functions of the State such as justice, public security and land tenure security .

In respecting the province autonomy, the administration capacities to intervene will be strengthened: granting means, incentive to agents, and so on ...)

Decentralisation enhances consultation between local actors in the productive sectors in order to further benefit from comparative advantages in each region and identify the main impediment to development. The outcomes of such consultations will entail changes in the rational trends, the forms of proximity project support and the modalities for setting up structuring infrastructures (communication, telecommunication) particularly through solidarity fund provided in the Constitution to amend regional disparities.

A reliable system of local public finance will be gradually put in place in parallel with the development of decentralised collectivities management bodies . It is comprises in conjunction to the pursuance of the measures taken by the Government : reforms on income tax and property tax, setting up of a synthetic tax for small-scale taxpayers, and implementation of autonomous structure of tax collection. The setting of autonomous provinces and the promotion of participatory approaches involving the private sector at all decentralisation levels, will be tackled

together in order to improve the efficiency of poverty reduction actions (the establishment on an Economic and Social Council at the provincial level is then important). The resulting transfer of competence will be of paramount importance in the field of education, rural development and road maintenance as they will consolidate and institutionalise the current provisions.

A gradual approach will be adopted in the setting of administrative structures and the transfer of competence and resources in order to strengthen the efficiency of the actions and to avoid discontinuity in public affairs management .The autonomous provinces new bodies will be fully accountable for proximity actions which are the subject of high demand from the poor. These bodies are designed to work with the operating agents , whether they are in the public sector or not, and thus avoid useless replication of administrative steps. They must be endowed with the necessary support to adequately cater for the demand of the poorest, which will contribute to establish some credibility to the new local political institutions.

III.3.2. BUILDING CAPACITY OF THE ESSENTIAL STATE SERVICES

Strict management of Public affairs is a must of poverty is to combat and the citizen's thrust is to be gained.

III.3.2.1. Management of public affairs

The Government is endeavouring to improve the management and control budgetary implementation. Planning implementation and monitoring the budgetary process will be strengthened in order to better respect the regulatory and legal rules in force. Particular attention will be paid to respect the standards of commitment , payment and orders to pay. In particular , a survey relating to the reinforcement and monitoring structure of the public market will be applied in 2001 so that new procedures of public market conclusion can be implemented in early 2002 to improve transparency and promptness hand-over with strictness. Among other things, the Central Markets Commission will be strengthened to monitor that the new provisions are applied, and its function will be adapted accordingly.

The State General Inspection (IGE) will be reinforced by allowing more important means to be at their disposal, 34 new state inspectors will be recruited through a competition exam and trained. A survey will be conducted in April 2001 for the purpose of improving its working; it is expected to be operational as from 2001.

The number of judges in the Audit Office will be increased to help them examine in a reasonable deadline the information related to the implementation of the State budget submitted to them by administrative departments. A dozen high officials will reinforce the current staff. Investments in materials will be achieved to help the office carry out its mission adequately. Like the IGE, a survey will be carried out before April 2001 to identify the required reinforcement to the Office for the recommendations to be implemented as from June 2001. Generally speaking, the reinforcement of the monitoring bodies will be supported by some training of the staff who will be in charge of, as well as setting the norms, standards and manual of instructions which will facilitate the task of magistrates-auditors and the relationship with the audited services.

As for revenue, the Government will continue strengthening tax and customs administration particularly by supplying departments with additional data processing equipment, powerful software allowing speedy processing of customs information and helping revise tax and customs procedures. Non tax revenue will be increased by improving systems of duty collection in the production sectors (forests, mining, fishing, and so on....)

III.3.2.2. Reform in the Civil Service

The reform in the Civil Service is one of the actions which contribute to the reduction of poverty, both for the civil servants themselves through the setting of a motivating civil service and for the Administration users, thanks to a better quality of service provided the setting of proximity administration and corruption eradication.

The Government have cleansed out the pay file and cancelled "ghost" civil servants' pays. The Civil Service new status designed in conjunction with the union of the civil servants is expected to be adopted by the end of 2000. Its application will entail a reduction in the number of special particular statuses and the implementation of a new ethic code of ethics and conduct. The flowchart of some ministries will be reviewed to comply with the sectorial policy and the setting of autonomous provinces.

III.3.2.3. Justice and security

The action plan for strengthening Justice aims to stress fight against corruption, in order to state the Justice impartiality and to invite users trust. The actions to undertake consist in :

- adopting, explaining and distributing the six organic laws bearing on the setting up of the Supreme Court of Appeal, the Counsel of State, the Audit Office and the High Court of Constitution;
- putting in place the administrative courts and financial courts in each autonomous province capital cities to make effective lawfulness control, budgetary control and to enable the administrators to appeal;
- reviewing procedures to allow Justice to be more accessible and faster and to avoid any problem of extended remand of the untried accused;
- completing the Courts of Appeal decentralisation and pursuing the multiplication of first level Courts to ensure their presence in under-populated areas and in regions where there is no security ;
- accompanying decentralisation of the Courts with some incentive to appoint lawyer (better pay for lawyers appointed by the court in remote areas, create a credit for law practices or for the charges incurred by bailiffs working away from main judicial centres;
- increasing the number of magistrates and judicial staff hired and trained in the National College for the Magistrates and Bailiffs (ENMG);
- strengthen the training of the judges in trade and financial practices in view of promoting business judicial security, and
- studying the possibility of introducing a system of public utility works as a sanction to minor offences and an alternative penalty to imprisonment.

The conditions for the security of goods and persons, especially in rural areas , will be improved through the standardisation of the "dina" system for which participatory workshops have been organised in the six provinces, followed with a reinforcement workshop, in view of the designing of a bill which will soon be presented in the National Assembly, and through a more rational presence of better equipped and trained order keeping units especially for prevention purposes.

The following actions will be undertaken in the short and medium terms :

- extension of the national territory coverage by the security forces;
- participation of the population to organise their own security through local security plans (good neighbourhood watch committee);
- setting up civil defence structures to manage natural disasters in high-risk areas;
- reinforcement of coastal surveillance;
- reinforcement of dog squads in international airports, and
- appointment of mounted squads in areas sensitive to livestock theft.

CHAPTER IV: MONITORING, PARTICIPATORY PROCEDURE, AND SCHEDULE

IV.1. A DEEPER KNOWLEDGE OF POVERTY

To realise the drafting of the full PRSP, the Government will look further into its knowledge of poverty by starting the various work studies and surveys mainly done by the National Institute of Statistics, in conjunction with various local and foreign partners. Let's note inter alia:

- the analytical work on rural development, agriculture, and environment in conjunction with the FOFIFA, the Cornell University, and the World Bank (study that has spread over three years),
- the inventory of statistical studies on poverty (UNDP and INSTAT),
- the permanent surveys on households (1997) and the priority Survey on households (1999), and
- the indicator tables (UNDP and INSTAT).

Therefore, from this new perspective of the poverty reduction level, Madagascar suggests to capitalise the study works, and past and future research in view of making available a reliable system of monitoring of the Malagasy population living standard and the Malagasy economy, allowing essentially:

- to have an idea on the initial situation (reference period for the PRSP), the level of poverty, the various social indicators and macro-economic indicators,
- to be able to monitor on a fixed periodicity the evolution of the different indicators in parallel with the realisation of the various macro-economic measurements,
- to respond, if the case arises, to specific and/or urgent needs, not only of the Malagasy Government, but also that of other development actors (regions, private sector, NGOs, ...), and
- to regularly have indicators with structural characteristics.

Therefore, to measure the strategy of the fight against poverty effectiveness on the population's standard, and particularly on that of the poor, the undertaken actions will be the subject of a system of monitoring and evaluation, which will associate all Government partners, as well in the supply and the collection of information, as in their analysis, and the series of reflections that will follow. The Government will use the results of the discussions with their partners to eventually give new direction to the programmes in process, to direct it for better effectiveness at the level of the beneficiaries.

The indicators which will be retained should be able to better recall in the best way the living conditions, to be representative of the households' social and economic situation, namely that of the poorest, to be sensitive to the evolution of the situation in the medium and long terms, and finally to integrate without too much difficulty into the existing statistical system.

IV.2. THE PARTICIPATORY PROCESS

Pursuant to the September and November 2000 national workshop held in Antananarivo to prepare the interim PRSP with each time some 400 participants, representing various public institutions and private organisations, the national dialogue will continue at the decentralised level to lead to the formulation of full PRSP which will be presented by Madagascar to the international community. The objective (for the period from the November 2000 to May 2001) is to elicit the national adherence to the poverty reduction strategy and to bring out the principal axis of the corresponding action plan. At every stage of the dialogue, the Government will make sure to include the lessons learnt from the national affairs management.

IV.2.1. PRINCIPLES AND OBJECTIVES

The following principles will act as a guideline to have the population participate in the working out of the strategy:

- the participatory process will relate both to the overall reflection on the fight against poverty and specific actions at sectorial level ;in the frame of programmes such as PADR, PST, the campaign against VHI/AIDS, and so on
- the participatory process will be based on principles of opening, mutual trust, transparency and shared responsibility,
- the representation and involvement of the civil society participants in the regional thematic workshops will be kept and reinforced to ensure ownership of the strategy by the population as a whole,
- the women's representation in the process will be significant,
- the elect, both at national and regional levels, will be involved, in particular, through meetings between the National Assembly commissions and the thematic commissions created in the framework of the PRSP designing,
- technical and financial partners will be associated in the reflection, not only for the national workshops , but also in the regional meetings for them to take account of the local realities in their assistance,
- the meetings will take account of the schedule setting up the institutions provided in the Constitution.

The process objective is to reinforce national dialogue about the national strategy in order to alleviate poverty and the population's endorsement to support it. This is a necessary condition for the success of the strategy. Appendix 7 presents a table indicating participatory processes identified for the next few years, with the categories of participants at each stage.

IV.2.2. THE PROCESS TIME SCHEDULE

The complete PRSP design recommended time schedule is established as follows:

- December 2000-January 2001: sectorial workshops (PADR, SEECALINE, PNSP, PNP ...) and thematic workshops (EPM99, ...) which will be held in the provinces and regions with the civil society participation, the local elect, representatives from the administration, representatives from the donors, farmers organisations, and so on. (cf. in appendix: table of the main participatory consultations);

- Between mid-February 2001 and mid-April 2001: PRSP workshops at province capitals level;
- End of April 2001: finalisation and dispatching of the full PRSP project to all the Government domestic and foreign partners for remarks;
- towards mid-May 2001: PRSP National Workshop (similar to that organised in November 2000 for I-PRSP)
- End of May 2001: Official transmission of Madagascar PRSP to the donors.

During this period (November 2000 to April 2001), analyses relating to natural resources allocations, absorption capacities, possible modifications to make in relation to the ongoing projects, the main parameters of poverty, and so on will be refined. The Government international partners' overall agreement on the complete PRSP might happen in June 2001.

V.1. PRINCIPLES

The outlined poverty reduction program is ambitious and its implementation depends on availability of resources and capacity in its use, but to date, it still appears earlier to have a thorough idea of the exact needs. The Government considers it useful to establish during the next months an exhaustive statement of the programs to undertake, taking into account the realisation capacities. It is necessary however to already specify that the Government gives an unquestionable priority, in this fight against poverty, to the sectors of education, health, drinking water, and rural tracks. That could be mirrored in more consequent budgetary allowances for these sectors.

A first proposition for the use of I-HIPC is presented below as an example. It will be refined during the next few months to be included in the revised Finance Act . Generally speaking, the Government plans to allot about 60% of IHIPC resources to operating expenditures in the priority sectors , while the remaining 40% will allotted to accompanying investment for an efficient implementation of the strategy.

V.2 SCHEDULE FOR THE USE OF IHIPC RESOURCES

On the basis of these considerations, it is proposed to reinforce and to improve the working of the social sectors through the hiring in 2001 of 4,000 teachers and 1,500 doctors and paramedics to be appointed in rural areas in particular.

The use of additional resources from the HIPC can be as shown in table 15 for the three next years.

The Government seeks the support of its technical and financial partners to determine in fine the real requirements in resources and the mobilisation capacity for each priority sector. According to the collaboration mechanism, this support can be addressed to the central departments for a national programming, but could be intended for the territorial communities, the local communities or the potential agencies which might conduct the actions to be carried out.

The Government will organise the units to implement the current sectorial programmes to ensure a regional-based approach and overall cohesion in determining the needs that will be included in the full PRSP.

Table n°15: Provisional Use of I-HIPC Resources

Items	2001	2002	2003
TOTAL RESOURCES (in %)	100	100	100
Operating expenditures	60	60	60
<u>Education:</u>	25	25	27
- Hiring new teachers	9	10	12
- Teaching materials (blackboard, copybooks, books, desks, chalk, and so on)	3	2	2
- technical materials (spades, watering cans, wheelbarrow, seeds for school garden)	3	2	2
- school canteen	3	3	3
- incentives for rural areas teachers	3	4	4
- literacy (trainer training, teaching materials, and so on)	2	2	2
- materials to Cultural Development Centres (libraries, information centre, and so on)	2	2	2
<u>Health:</u>	20	20	20
- hiring medical staff	4	4	5
- supplying medicine and pharmaceutical products	4	3	3
- incentives for CSBs staff in rural areas	3	4	4
- common equipment for the CSBs and CHDs (stethoscope, seringue, scales, and so on)	3	3	3
- HIV-AIDS campaigns	3	3	3
- Vaccination programme	3	3	2
<u>Institutional reinforcement</u>	5	5	5
- Justice	2	2	2
- Monitoring bodies	2	2	2
- Decentralisation	1	1	1
<u>Miscellaneous</u> (of which environment actions, women promotion)	10	10	8
<u>INVESTMENT:</u> ⁽¹⁹⁾	40	40	40
- Road Maintenance Fund (FER), unland-locking roads and rural tracks	20	18	18
- Infrastructures for drinking water	3	6	7
- Monitoring-assessment survey and studies	4	4	4
- Security net (Support to communitary Programmes)	10	8	7
Miscellaneous	3	4	4

¹⁹ The distributions in the sub-items are given for guidance

APPENDICES

APPENDIX 1. ECONOMIC AND FINANCIAL INDICATORS 1999-2003

Madagascar: Selected Economic and Financial Indicators, 1999-2003¹⁷

	1999	2000 Proj	2001 Prev	2002 Prev	2003 Pre
<i>(annual percentage change)</i>					
National accounts and prices					
Real GDP at market prices	4.7	4.8	6.3	6.3	6.3
GDP deflator	9.8	7.6	5.8	5.0	4.5
Traditional consumer price index					
Average	9.9	10.9	4.1	3.8	3.0
End of period	14.4	5.6	3.8	3.4	2.8
Overall consumer price index					
Average	9.7	11.0	4.1	3.8	3.0
<i>(In percent of beginning of period stock of broad money, unless otherwise indicated)</i>					
Money and credit					
Net foreign assets	12.2	5.0	16.1	...	...
Net domestic assets	8.5	-0.3	-3.8	...	...
Of which: net domestic credit	11.2	2.3	-1.3	...	...
Government	2.8	-3.2	-8.5	...	...
Economy	8.4	5.5	7.2	...	...
Broad money (M3)	19.5	4.8	12.1	...	...
Velocity of M3 (GDP/end of period M3)	4.7	5.1	4.1	...	...
<i>(annual percentage change)</i>					
External sector (in terms of SDR)					
Exports, f.o.b.	10.9	8.2	9.6	8.9	10.3
Imports, c.i.f.	9.6	22.2	6.1	5.1	7.2
<i>(in percent of GDP)</i>					
Current external account					
Excluding official transfers	-6.3	-8.7	-8.9	-8.3	-7.7
Including current official transfers	-5.4	-7.2	-7.4	-6.8	-6.4
Including current and capital transfers	-1.9	-3.7	-4.1	-3.6	-3.3
<i>(in percent of GDP)</i>					
National accounts					
Gross domestic investment	14.9	17.0	18.5	18.4	19.6
Private sector	8.0	8.3	8.1	8.7	10.5
Public sector	6.9	8.7	10.4	9.7	9.1
Gross national saving	9.6	9.8	11.2	11.6	13.2
Private sector	6.5	5.1	6.7	7.1	7.5
Public sector	3.1	4.7	4.5	4.5	5.7
<i>(in percent of GDP)</i>					
Central government financial operations					
Total revenue and grants	15.0	17.3	17.3	17.3	17.4

¹⁷ Figures to be refined with PRGF programme

	1999	2000 Proj	2001 Prev	2002 Prev	2003 Pre
Total revenue	11.4	12.6	12.7	12.9	13.2
<i>Of which: tax revenue</i>	<i>11.0</i>	<i>12.2</i>	<i>12.4</i>	<i>12.6</i>	<i>12.8</i>
Total expenditures	16.2	18.1	20.6	19.7	18.0
Interest obligations	2.1	2.0	1.9	2.1	1.0
Non interest current expenditures	7.2	6.9	7.0	6.7	6.6
<i>Of which HIPC assistance</i>			0.7	0.6	0.6
Capital expenditures	6.9	8.7	10.4	9.7	9.2
<i>Of which HIPC assistance</i>			0.4	0.5	0.4
Primary balance	0.9	1.2	-1.4	-0.3	0.4
Overall balance (commitment basis, excl. Restructuring operations)					
Excluding grants	-4.8	-5.5	-7.8	-6.7	-4.8
Including grants	-1.2	-0.8	-3.3	-2.4	-0.6
Overall balance (cash basis)	-0.9	-1.1	-3.7	-2.4	-0.6
Net balance of structural reforms	-1.6	-2.1	-2.1	-0.5	-0.4
Overall balance (commitment basis, incl. Restructuring operations)		-3.3	-5.8	-2.9	-1.1
<u>External debt</u>					
	<i>(in percent of GDP)</i>				
NPV of external debt	57.2	57.8	54.2	...	...
External debt (after relief)	101.2	101.5	...	...	...
	<i>(in percent of exports of good and services)</i>				
External debt service					
Before relief	18.1	17.1	17.3	19.4	14.8
After relief	12.0	10.8	17.3	19.4	14.8
	<i>(in millions of SDR, unless otherwise indicated)</i>				
Gross official reserves	117.5	146.4	227.8	260.8	308.3
In weeks of imports of good					
And nonfactor services	7.0	7.4	10.5	11.5	12.8
<u>Exchange rate (average)</u>					
MGF/SDR	8,586	8,951	...	...	...
<u>Nominal GDP at market prices</u>					
(in billions of MGF)	23,379	26,351	29,630	33,078	36,736
Per capita GDT (US\$)	255	258	277	300	322

APPENDIX 2. MAIN MONITORING INDICATORS

TABLE OF INDICATORS

1. SOCIAL INDICATORS

1.1. Education :

- Budgetary grants to Primary Schools, or EPP (percentage against the extra-salaries operating budget of the MINESEB)
- EPP budgetary implementation
- Number of students in the primary education (public and primary education)
- Number of new students
- Enrolment rate in primary education (gross and net)
- Repeaters' rate in Grade 1
- Dropout rate in Grade 5

1.2. Health :

- Budgetary grant to DHS (in percentage against the extra -salary operating budget of the Ministry of Health (MINSAN))
- DHS budgetary implementation
- Rate of curative medicine usage in the CHC (number of persons per year)
- Rate of complete vaccination (from age 0 to 1 year)
- Assisted midwifery rate (percentage against birth numbers)
- Caesarean birth rate (percentage of birth by Caesarean operation)
- Contraception prevalence rate
- DHC1 and DHC2 hospitalisation rate (in thousands inhabitants per year)
- Rate of prescriptions dispensed

2. TRACKS IN RURAL AREAS

- Percentage of the FER budget appropriated to rural tracks

**APPENDIX 3. MATRIX OF MEASURES FOR IMPROVING THE IMPLEMENTATION OF
EXPENDITURES**

**MATRIX OF MEASURES
FOR IMPROVING THE IMPLEMENTATION OF EXPENDITURES**

OBJECTIVES	MEASURES	SCHEDULE	NOTES
<p><i>Improving the procedures relating to the implementation of the budget (in the short)</i></p>	<p><i>Enactment of Financial Law 1</i></p> <p><i>Designing of a perennial, stable legal framework relating to the implementation of the budget</i></p> <p><i>Drawing up of a stable budget implementation circular for the benefit of managers, deputy authorising officers and book-keepers</i></p> <p><i>Making up of a collection of texts (laws, ordinances, decrees, circulars, notes) governing expenditures according to their nature</i></p> <p><i>Reinforcement of the Control panel designed to adjust expenditures and cash in hand in accordance with the level of receipts</i></p>	<p><i>1st week Jan Year</i></p>	<p><i>Harmonisation of the negotiation dates with the donors in accordance with the preparation of the budget</i></p> <p><i>Rational estimate of operating expenditures in relation to resources. Observance of bearable deficit.</i></p>
	<p><i>- Request for technical assistance addressed to the IMF</i></p> <p><i>- Setting up of a 3unit" in charge of the Operating Chart</i></p> <p><i>Observance of budgetary operation closing dates (commitment, account, settlement)</i></p> <p><i>Observance of credit adjustment closing dates</i></p> <p><i>Rigorous limitation of the so-called additional period</i></p>	<p><i>16 October 2000</i></p> <p><i>June 2002</i></p> <p><i>Execution of Budget 2001 cf. circular referred to in 1.2.1</i></p> <p><i>Notice of competitive test</i></p>	<p><i>Implementation and internalisation</i></p> <p><i>Circular from the Minister in charge of the Budget</i></p> <p><i>Directive from the Treasury Directorate General. These closing dates must take account of the constraints due to the implementation of the Amended Financial Law.</i></p>

OBJECTIVES	MEASURES	SCHEDULE	NOTES
<p>Reinforcement of the inspection and control Institutions (State Inspection, CDE or Committed Expenditures Control, Audit office)</p> <p>Setting up of a unit responsible for public contracts in ministerial departments</p> <p>Improving the conditions for archiving and keeping the statistics of the Central Markets Commission</p> <p>Observance of statutory provisions regarding the implementation of the budget</p> <p>Exclusion of providers' families</p>	<p>Recruiting of officers by competitive tests in order to reinforce the existing staff</p> <p>Granting of sizeable credits</p> <p>Distribution of a circular to all ministerial departments to take under the seal of the PM's Office</p> <p>Enhancement of the offices and the archives room</p> <ul style="list-style-type: none"> - Refresher course for the staff - Appropriation of corresponding credits <p>Distribution of a note to all ministerial departments with a copy to the State General Inspection and the CDE</p> <p>Distribution of a note prohibiting:</p>	<p>for the recruiting of 34 State Inspectors from 19 till 22 Dec 2000-11-09</p> <p>Recruiting of 12 Auditors for the Audit Office during the first six months of the budgetary year</p> <p>2001</p> <p>2001</p> <p>Note No 1144/2000 of 13 Oct 2000 of the Council of Government</p> <p>Materialised by Note No 1144/2000 of 11 Oct2000 of the Council of</p>	<p>These new elements will come on duty from the very day after their appointment</p> <p>Operation presenting no difficulty provided the necessary credits are available</p> <p>This note has the value of a permanent directive</p> <p>This note must be classified as a permanent directive</p>

OBJECTIVES	MEASURES	SCHEDULE	NOTES
	<ul style="list-style-type: none"> - <i>the award of contracts to providers' families</i> - <i>the granting of orders by way of consultation to firms of the same group</i> 	<i>of the Council of Government</i>	
<p><i>Raising the awareness of and training of Agents involved in the implementation of the budget</i></p>	<p><i>Training:</i></p> <ul style="list-style-type: none"> - <i>of deputy authorising officers</i> - <i>managers</i> - <i>Treasury surveyors</i> - <i>Controllers</i> - <i>Finance Collectors</i> - <i>Book-keepers</i> - <i>Training regarding the utilisation of procedure handbooks</i> <p><i>Selection of specialist Consultants to be charged with:</i></p> <p><i>Inventory, analysis and review of the coherence of laws, decrees, orders as regards the management of Public Finance</i></p> <p><i>Drafting of the manuals</i></p>	<p><i>2nd Semester 2001 from 2000 on 2000-02 cycle</i></p> <p><i>2nd Semester 2001 2000 and 2001</i></p> <p><i>2nd Semester 2001 year 2002</i></p> <p><i>June 2001</i></p> <p><i>December 2001</i></p> <p><i>September 2001 2001</i></p>	<p><i>Health – Education</i></p> <p><i>In progress (PAS 1999-2000)</i></p> <p><i>Workshop or refresher course</i></p> <p><i>In progress</i></p> <p><i>Workshop or refresher course</i></p> <p><i>Need for institutional support from the EU in order to carry out the project</i></p>
<p><i>Procedure handbooks</i></p>			
<p><i>Logistics: Treasury's archives</i></p>	<p><i>Transfer of Government archives now kept in the Treasury building at Antaninarenina</i></p> <p><i>Construction of a Building to be used as Archives</i></p>		

THE INDICATORS OF THE OBJECTIVES IN EDUCATION UNTIL 2003

Priority Axes	Objectives	Indicators			
		Reference values 99/00	2000/01	2001/02	2002/03
1. Access to school	• To increase the number of new students entering Grade 1	523,943	539,601	555,851	572,527
	• To increase the gross rate of those entering Grade 1	130.04%	130	131	131
	• To increase the number of learners in technical and vocational schools		3% compared to the current number	4% compared to the previous year's number	5% compared to the previous year's number
2. School coverage	• To increase by a minimum of 4% per year the number of students in primary school Total number of students Of which in the public education	2,208,321 1,712,825	2,329,518 1,806,828	2,456,933 1,905,654	2,556,056 1,982,536
	• To improve the primary school attendance rate : " NSR " GSR	71.3% 114.61%	74.20% 117.73%	75.65% 120.90%	77.10% 122.47%
3. Improvement of internal output	• To gradually reduce the average rate of repeaters in the primary level by approximately 5 % points per year	32.0%	28.0%	22.0%	18.0%
	• To gradually reduce the repeaters' rate in EPP Grade 1	44.1%	39%	34.1%	29.1%
	• To gradually reduce the dropout rate in the primary level	13.0%	12.0 %	11.0%	10.0 %
	• To improve the rate of school survival in the primary school five year studies by approximately 5 %points per year	33.0%	37.0%	43.0%	48.0%

Priority axes	Objectives	Indicators			
		Reference values 99/00	2000/01	2001/02	2002/03
4.Improvement of the internal and external output of the training system	· To reduce the repeaters' rate (METFP)		5% compared to the current value	6% compared to the previous year's value	7% compared to the previous year's value
5. Availability of teachers in the primary level	· To have additional qualified primary level teachers and meet the average standard of 50 learners/teacher	5,004 ¹⁸	3,021 ¹⁹	2,117 ²	1,677 ²
6. Availability of class-rooms in the primary level	· To have additional classrooms to meet the average standard of 50 learners/classroom	3,385	5,419	2,130	1,690
	· To rehabilitate dilapidated classrooms		658	657	645
7. Improvement of the teaching and learning conditions	· To rehabilitate and equip infrastructures (METFP) at the ratio of 20 buildings per year		20	20	20
8. Access to secondary education	· To increase the offer in secondary school education by allowing : *all CEPE holders to be admitted in Grade 6 (6 ^{me}) *all BEPC holders in Grade 10 (2 ^{me})	84,070	89,986 47,143	96,318 60,764	103,096 78,321
9. Budget appropriated to Education	· To increase the proportion of the education operating budget / GDP	2.2%	2.8 %	3.5 %	4 %
	· To increase the education budget as compared to the State budget	15.2%	15.5 %	15.7 %	15.5 %
	· To increase the budget for the primary level compared to the Government expenditures	5.2%	6.8%	6.8 %	6.8 %
	· Part of the operating budget excluding salaries allotted to EPPs	43.3%	54.3%	63.1%	63.1%
	** Implementation budget rate allotted to EPPs		95.2%	98.0%	98.5%

¹⁸ Aggregate needs

¹⁹ New annual needs

Priority Axes	Objectives	Indicators			
		Reference values 99/00	2000/01	2001/02	2002/03
	· To increase the State's contribution by 10 % points per year in the frame of the Partnership for Public Primary School Development (PADEPP)		10 %	20 %	30 %
10.Diversification of the system based on both proximity and open policy	· To increase the overall level of the population who will have acquired Higher Education level	1.02%	1.13%	1.18%	1.21%
11. Literacy	· Gradually reduce the current illiteracy rate	54%	52%	49%	45%

PRIORITY ACTIVITIES TO CARRY OUT IN THE NEXT EIGHTEEN MONTHS

EDUCATION SECTOR

Priority Axes	Actions to carry out	Measures to take
1. Access to school	<ul style="list-style-type: none"> • Admission of new students in Grade 1 from: <ul style="list-style-type: none"> " 539,601 in 2000/2001 " 555,851 in 2001/2002 • Construction of 5,419 classrooms in 2000/01 2,130 classrooms in 2001/02 • Rehabilitation of 658 classrooms in 2000/01 657 classrooms in 2001/02 	<ul style="list-style-type: none"> • Raise parents' and communities' awareness • Develop the complete education micro-plan and map • Generalise the birth certificate operation • Increase housing capacity • Improve education information system
	<ul style="list-style-type: none"> • Prospect the possibility of building vocational training centres in the fivondronana which do not have training centres yet 	<ul style="list-style-type: none"> • Identify the training needs at fivondronana level per region • Inter regional direction collective missions with the central high officials
	<ul style="list-style-type: none"> • Improve and rehabilitating the equipment and infrastructures • Open trainer training centres (ENET) • Build trainer training centres 	<ul style="list-style-type: none"> • Inventory of the technical and vocational institutions • Needs assessment in trainers and specialists.
2. Improvement of primary education coverage	<ul style="list-style-type: none"> • Increase the number of primary school students <ul style="list-style-type: none"> 2,329,518 in 2000/01 2,456,933 in 2001/02 	<ul style="list-style-type: none"> • Raise the communities' awareness of and involving them in children school attendance
3. School output	<ul style="list-style-type: none"> • Reduce the repeaters' rate in the primary school to <ul style="list-style-type: none"> 28% in 2000/01 22% in 2001/02 • Reduce the primary school dropout to : <ul style="list-style-type: none"> 12% in 2000/01 11% in 2001/02 	<ul style="list-style-type: none"> • Quest for teaching innovations (methods and adequate infrastructures,.....) which should help salvage the dropouts and significantly reduce the repeaters' rate in the primary level • Raise the communities', the parents' and the teachers' awareness of the necessity to reduce the number of repeaters • Systematic control, monitoring and assessment of education process activities • Systematic use of IEC strategies • Evaluation culture inculcation
	<ul style="list-style-type: none"> • Improve the school survival rates in Grade 6 to: <ul style="list-style-type: none"> 39% in 2000/01 48.0% in 2001/02 	<ul style="list-style-type: none"> • Matching the agricultural calendar to school calendar • Training teachers • Training inspectors and teacher advisors • Monitoring and assessment

Priority Axes	Actions to carry out	Measures to take
	<ul style="list-style-type: none"> • Implement the evaluation development plan in education (PDE) 	<ul style="list-style-type: none"> • Finalise the assessment development programme of the MINESEB • Review of the basic programmes of the exam system
	<ul style="list-style-type: none"> • designing of school curricula starting from the regions 	<ul style="list-style-type: none"> • Experiment and experience sharing
4. Availability of teachers	<ul style="list-style-type: none"> · Assessment of the needs in trainers and studying the dossiers received (METFP) · Appointment of the first trainers cohort • Hiring 3,021 teachers in 2000/01 and 117 teachers in 2001/02 · training of teachers 	<ul style="list-style-type: none"> · collect information at public and private institutions level • Recruitment at community level (villages,...) • Attention paid to teaching qualifications (professional qualification) • Ensure that 60% of the new teachers are appointed in rural areas • Production of teacher's guides • Guidelines on how to use the teacher's guide • Establish teachers' and education managers distance training geared for continuous and initial training
5.Enhance and adapt research to the real needs of the country	<ul style="list-style-type: none"> • Reinforce and improve of the research contract programme system · Identify the relevant research axes for poverty reduction and economic growth development 	
6. Reinforcement of the new information and communication technologies in teaching in the higher Education	<ul style="list-style-type: none"> · establishment of specialised lines in each institution · Reinforcement du data processing equipment in each institution. · to make easier the acquisition of data processing equipment by teachers · Include data processing module in the syllabus of any department at all levels · A better use of the information highway for research and documentation · Development of distance training 	
7.Teaching standardisation	<ul style="list-style-type: none"> · Standardisation of the teaching syllabuses, time allocation and size of the group. 	

Priority Axes	Actions to carry out	Measures to take
8. Promotion of the teaching profession	<ul style="list-style-type: none"> · Diploma design · Setting up an adequate policy of relief · Reinforcement of qualifying training which meets the needs of the country · Motivating the teachers 	revision of the assessment of the payroll and distance benefits
9. Improvement of the administrative and technical staff	<ul style="list-style-type: none"> · Establishment of a planned redundancy scheme and career development · Computerisation of the human resource management 	
	<ul style="list-style-type: none"> · Reinforcement of qualifying training which meets the needs of the country · Development of distance training 	

PRIORITY ACTIVITIES TO CARRY OUT IN THE NEXT EIGHTEEN MONTHS

Priority Axes	Actions to carry out
1. Valorise school attendance initiatives and efforts to apply the laws in force (MICC)	<ul style="list-style-type: none"> · Rewards to the 250,000 deserving students' parents · Gradual implementation of the sanctions provided by the texts of law in 20% of the communes
2. Promote cultural identity	" Publication of 50 new titles of books in Malagasy
	" Re-publication of 25 new book titles in Malagasy
	" Creation of polyvalent resource centres at the ratio of one centre per commune
	" Setting up modern communication infrastructures in each commune
	" Creation of rural and regional press in each province
3. Take account of the Malagasy cultural and moral values in the design and implementation of the syllabuses at all levels	" Reinforcement of partnership with religious entities and NGOs with civic education mission.
	" Designing monographies about each Fivondronana
	" Designing pieces of work on oral tradition, traditional games ...
	" Encourage the consultation principle at all levels
	Valorisation of the traditional technology in the field of national heritage

PRIORITY ACTIVITIES TO CARRY OUT IN THE NEXT EIGHTEEN MONTHS

PRIORITY AXES	ACTIONS TO CARRY OUT	STRATEGIES/MEASURES TO TAKE
4.Reinforcement of the education for all	<ul style="list-style-type: none"> · Reinforcement of the fight against illiteracy · Improvement and development of the formal and non-formal sectors · Development of types of technical and vocational training geared to basic subjects · Development of experience and experimentation sharing 	<ul style="list-style-type: none"> • Designing a National Plan and Programme of Education for All following a participatory process which should imply field actors, the beneficiaries, the various education partners (public and private actors). · Identifying and maintaining the existing alternatives in the field of non formal education and validating them: functional literacy and proximity <ul style="list-style-type: none"> · .Creation of Polyvalent Resource Centres. · Building capacity to design and produce teaching materials at the lowest cost. · Creation of a literate environment to maintain acquisition from literacy (village library, rural press) · Reinforcement and decentralisation of the trainers training centres. · Trainers training · Creation of a training centre for specialised trainers. · Development research on the teaching relating to non formal education.

PRIORITY AXES	ACTIONS TO CARRY OUT	STRATEGIES/MEASURES TO TAKE
5. Accompanying measures to the training provided in the framework of basic education for all.	<ul style="list-style-type: none"> • Socio-economic Insertion and reinsertion of the targeted group - Facilitation of access to micro-credit - Creation of income-generating activities - Promotion of entrepreneurship 	<ul style="list-style-type: none"> • Reinforcement of the micro-credit systems
	<ul style="list-style-type: none"> • Production of teaching material at a low cost. • 	
	<ul style="list-style-type: none"> • Designing the syllabus of the baseline trade training 	
	<ul style="list-style-type: none"> • Creation of youth hostels and social reinsertion centres 	
	<ul style="list-style-type: none"> • Creation of pre-school 	
	<ul style="list-style-type: none"> • Creation of 6,000 production units 	
	<ul style="list-style-type: none"> · Training 30,000 young people to have the IGA spirit 	
	<ul style="list-style-type: none"> · Develop the facilitator role of education in the transmission of AIDS and communicable diseases information 	

A PROPOSAL FOR THE USE OF ADDITIONAL RESOURCES

PRIORITY AXES	LIST OF ACTIVITES
1.Improvement of the access/accessibility to basic education for all structures and to permanent education	<ul style="list-style-type: none"> • Creating centres for the training of specialised educators
	<ul style="list-style-type: none"> • Creating a literate environment designed to maintain literacy acquisition (village library, rural press)
	<ul style="list-style-type: none"> • Creating of Polyvalent Resource Centres
	<ul style="list-style-type: none"> • Building and rehabilitating classrooms
	<ul style="list-style-type: none"> • Reinforcing and decentralising education centres for early childhood training.
	<ul style="list-style-type: none"> • Reinforcing housing and training structures for the underprivileged , female teenagers, females and young people in particular..
	<ul style="list-style-type: none"> • Setting up of modern Communication infrastructures in every commune
	<ul style="list-style-type: none"> • Identifying the training needs at Fivondronana level (METP)
	<ul style="list-style-type: none"> • Initiation to entrepreneurship
2. Competence building	<ul style="list-style-type: none"> • Providing sensitisers/negotiators executives in education with training on IEC techniques and strategies
	<ul style="list-style-type: none"> • Providing the local official some training on micro-planning and integrative school map
	<ul style="list-style-type: none"> • Strengthening distance education
	<ul style="list-style-type: none"> • Building designing capacity and capacity to produce lower cost teaching materials .
	<ul style="list-style-type: none"> • Providing some training to early childhood and literacy educators , to women and young women and the disabled women
	<ul style="list-style-type: none"> • Granting credit managers with material and financial means
	<ul style="list-style-type: none"> • Training credit managers
	<ul style="list-style-type: none"> • Continuous training to trainers in technical and vocational public and private institutions

PRIORITY AXES	LIST OF ACTIVITES
3. Output	<ul style="list-style-type: none"> • Motivate teachers
	<ul style="list-style-type: none"> • Reinforce micro-credit systems
	<ul style="list-style-type: none"> • Quest for and implementation of teaching innovations enhancing dropouts' integration and help accelerate the reduction of repeaters' rate
	<ul style="list-style-type: none"> • Set up a system of educational information
	<ul style="list-style-type: none"> • Set up a development programme on education assessment according to a participatory approach
	<ul style="list-style-type: none"> • Design a National Plan of Education For All involving the actors on the field, the beneficiaries , the civil society, NGOs, the State, and financial and technical educational partners
	<ul style="list-style-type: none"> • Design a manual of procedures on monitoring and assessment at Higher education level
<ul style="list-style-type: none"> • Research and actions 	<ul style="list-style-type: none"> • Set up an information system for the purpose of the management of basic education for all.
	<ul style="list-style-type: none"> • Develop and implement research in formal and non formal teaching in order to improve education output and salvage the early system dropouts
	<ul style="list-style-type: none"> • Develop research on controllable new technologies • Strengthen and improve the system of research contract programme • Identify relevant research axes for poverty reduction and economic growth development
	<ul style="list-style-type: none"> • Improve advisory provision in order for the purpose of better internal and external efficiency in the Higher Education
	<ul style="list-style-type: none"> • Publish and re-publish books in Malagasy to promote cultural identity

HEALTH SECTOR PLAN OF ACTION HEALTH SECTOR

Priority Axis	Objectives	Strategies	Activities	Indicators	Hypothesis or Conditions for Success
Reduction of Child and juvenile Death rate	<p><i>* By 2003, reducing From 163.9 to 111 per 1000 The child and juvenile death rate</i></p>	<p>* Generalise the ICDC at the HT level and include the community component ICDC in the existing community sites (360 NCL sites, 1,529 community sites) and creation of 9,356 new community sites</p>	<p>* Equip 2,339 CHCs with ICDC Kit</p> <p>* 9,356 sites with ICDC community Kit</p> <p>* Train 4,678 health agents and 28,068 community agents</p> <p>* Organise income generating activities To the benefit of underprivileged groups (pm)</p> <p>* Organise immunisation activities supported by social mobilisation (Vaksiny Faobe)</p> <p>* Supply 1,620 CHC2s and 972 CHC1s with means of conveyance: motorbikes, motorcycles and mountain bikes</p> <p>* Supply the public, private, and denomination HTs with equipment, materials, and vaccines</p> <p>* Organise vaccination activities among NGOs working with underprivileged groups</p> <p>* Organise monitoring</p>	<p>* <i>Child and juvenile death rate</i></p> <p>* Number of operating ICDC Sites</p> <p>* % of underprivileged groups among the members</p> <p>* <i>Coverage immunisation rate of 0 to 1 yr olds, including those in land-locked zones and among underprivileged Groups</i></p> <p>* % of immunised children Among the underprivileged groups</p>	<p>* Material and financial motivation of community agents</p> <p>* Community Reference and Coverage of ICDC cases according to the standards</p> <p>* General mobilisation: Gvt, national and international partners, DTC, and commu-Community</p> <p>* Material and/or financial motivation of community agents Monitoring supported by use.</p> <p>* Periodically relaunch child immunisation campaign and and community reference</p> <p>* Activities under contract program</p> <p>* Basic framework available</p>
	<p><i>* By 2003, reach Immunisation coverage Rate of 80% of 0 to 1 yr old Children, including those In landlocked zones and The under-privileged ones</i></p>	<p>* Strengthen the PEV with advanced strategy Introduce anti-hepatitis B vaccination supported by social mobilisation</p>			

Priority Axis	Objectives	Strategies	Activities	Indicators	Hypotheses or condition for success
	<p>* By 2003, reduce <i>Malnutrition rate</i> Of 40% to 25%</p>	<p>* Generalise DH coverage for severely underfed 0 to 3 yr olds</p> <p>* Popularise community based activities by giving priority to the landlocked areas and to the most underprivileged people.</p> <p>* Develop the shelter-employment under the supervision of NGOs and denominational organisations in urban areas (pm)</p> <p>* hygienic and dietetic advice outreach program</p>	<p>* Supply DHs with materials and therapeutic food (nutri-set)</p> <p>* Treat severely underfed children and give advice on child hygienic and dietetic advice to mothers</p> <p>* Supply NCL sites with supervision and growth Kit</p> <p>* Train community agents</p> <p>* Organise IGA (pm)</p> <p>* Organise culinary demonstrations sessions</p> <p>* Promote farming, agriculture (cash and food crop) according to appropriate technology</p> <p>* Allow resources for coverage of victims of natural disasters (pm)</p> <p>* Implement 111 CRENI</p> <p>* Organise FAF supply of expectant mothers And children at school and outside school, Including the underprivileged groups</p>	<p>* Severe weight insufficiency among 0 to 3 yrs old children</p> <p>* Number of DHs covering underfed children</p> <p>* Number of operational NCL Sites</p> <p>* Nb of community based sites that integrate nutrition activities</p> <p>* Number of operational CRENI</p> <p>* FAF Supplementing rate</p> <p>* % of anaemic children</p>	<p>* Concrete action of hygienic and dietetic advice given to mothers among under - privileged groups.</p> <p>* Multidisciplinary and multi-sectorial intervention and harmonisation of approaches According to the community needs</p>
	<p>* By 2003, reduce <i>Expectant mother anaemia</i> Rate from 44% to 33%</p>	<p>* micronutrient adequate input</p>			

Priority Axis	Objectives	Strategies	Activities	Indicators	Hypotheses or conditions for success
	<p>* By 2003, reduce <i>Child nyctalopia/night-Blindness to less than 1%</i></p> <p>* By 2003, reduce <i>TGT to less than 5%</i></p> <p>* By 2003, increase <i>The rate of 0 à 6 Month children under AME from 47 to 60%</i></p> <p>* By 2003, reduce <i>Neonatal death rate from 40.4p1000 to 20p1000</i></p>	<p>* Promote exclusive breastfeeding</p> <p>* Develop basic neonatal care at the level of public and private CHC2s</p>	<p>* Organise 2 mass campaigns for vitamin A supplementation, per yr</p> <p>* Implement vitamin A strengthened food</p> <p>* Ensure iodination of national salt production</p> <p>* Raise the community's awareness of the advantages Exclusive breastfeeding of EBF</p> <p>* Set up 80 Babies Friends Hospitals (BFH) and 60 Babies Friends workplaces (BFW)</p> <p>* Supply basic intensive care kit to 1,620 public and private CHC2s, and those in landlocked zones.</p> <p>* Train the 4,860 health agents of the 1,620 CHC1s by private CHC2s on basic neonatal cares</p>	<p>* % of children supplied with Supplemental Vitamin A</p> <p>* % of children presenting Vit A deficiency * Coverage rate of iodised salt * Total goitre rate</p> <p>* % of children from 0 to 6 months under EBF</p> <p>* Number of BFNs and BFWs</p> <p>* Neo-natal death rate</p> <p>* % of CHC2s ensuring basic neonatal cares</p>	<p>Balanced food for breastfeeding mothers</p> <p>* Reliability of outside HT data</p>
Maternal mortality Reduction	<p>* By 2003, reduce <i>Maternal death rate from 466 to 265p 100,000 living birth</i></p>	<p>* Generalise the "Maternity without Risk" strategy in public, private, and denominational HTs, including ONGs working for underprivileged groups</p>	<p>* Transform 48 CHD1 into CHD2 (renovation or extension, assignment of human, material, and financial resources according to the technical tray)</p> <p>* Renovate and reequip the 22 CHD2 (ex-HMCs)</p> <p>* Transform and equip 258 CHC1s into CHC2s Build and equip 184 CHC2s. Build And equip 87 CHC1s. Renovate and equip 669 CHC1s/CHC2s</p>	<p>* Number of new operational CHD2s</p> <p>* Maternal death rate In HT * NPC rate</p> <p>* Municipal coverage rate in CHC2s</p>	<p>* CHCs-CHD2s reference systems CHD2 and operational community reference</p>

Priority Axis	Objectives	Strategies	Activities	Indicators	Hypothesis or conditions for success
			* Update training of the AS on basic obstetrical cares (3 per CHC-CHD1) and 192 AS in emergency obstetrical cares (CHD2)	* Assisted delivery rate * Caesarean operations rate	
			* Train, equip, and organise the monitoring traditional midwives in hardly accessible landlocked zone of 24 SSD(40 par SSD)	* Number of AT trained and equipped with AT Kit, and follow up	
	<i>By 2003 increase contraceptive prevalence rate from 13% to 18% by target the rural areas and underprivileged groups in priority</i>	* Integration of FP service provision in all HT, community sites, NGOs and associations working for underprivileged groups	Give health agents and community agents some training in FP Equip 1,231 new sites with community-based service Supply 2,254 FP sites and 4,924 community-based sites with contraceptives	Nb of operational FP Contraceptive prevalence rate	PEC of the poor per commune/other community facilities for contraceptives
	<i>By 2003, reduce unwanted pregnancy rate from 19% to 13% among 15 to 19 year-olds</i>	Integration of service provision for the youth in CSB2 for municipalities and creation of 89 centres for the youth at Fivondronana level giving priority to unprivileged zones and the poor	Train 4,508 agents in HIR, drug addiction control and fight against STI/HIV-AIDS Rehabilitate and equip 89 youth centres Cover young delinquents (pm)	Number of operational teenagers and youth centres % of unwanted pregnancies among the young	Material and/or financial motivation of young people working in housing centres Operating budget of centres subsidised by the municipality and/or CLD and IGA of the centre
		Use of the proximity press to communicate health messages and to educate the population, targeting the illiterate and unprivileged groups in particular	Design, communicate and assess SR message collection Design and communicate IEC support for the illiterate and underprivileged groups	% of violence victims % population sensitised to STD % accouchements assisted by qualified personnel	
		Implementation of the provisions of Public Health Code bearing on obstetric exercise through a multisectorial approach	Inform the target group of the regulations ruling accouchement, including among the underprivileged (pm) Have the current laws enforced		

Priority Axis	Objectives	Strategies	Activities	Indicators	Hypothesis or conditions for success
Fight against the priority transmissible diseases a) Fight against STI/HIV-AIDS	<p><i>By 2003, maintain seropositivity rate among the high risk groups to 0.99% and the population in general</i></p> <p><i>By 2003, reduce by 50% STI prevalence, including among the underprivileged group</i></p>	Improvement of illiterate women's education	<p>Implement operational literacy in the 5359 literacy sites (integration of themes relating to development to health and education to the family life)</p> <p>Develop income generating activities (pm)</p>	<p>Nb of operational literacy sites</p> <p>% of literate women and young women</p> <p>% of underprivileged groups among the members</p>	<p>Multi-operational approach sites</p> <p>Better price/efficiency IGAs. Market for agricultural and artisan products</p> <p>Transparent management</p>
		Active commitment of the politico-administrative officials and opinion leaders at all levels to integrate the STI/HIV-AIDS in any development program	Organise advocacy activities among leaders at all levels, including those in the autonomous provinces	% STI of gonococci origin HIV seropositivity among high-risk group % syphilis seropositivity among pregnant women	Leaders' commitment to publicly speak for the defence of the fight against AIDS
		Reinforcement of the multisectorial approach in terms of education and prevention against STI/HIV-AIDS giving priority to the underprivileged and high-risk groups	Organise round-tables with the participation of the sociopolitical decision makers, ministerial departments, international partners, NGOs and associations working for the underprivileged groups	Number of socio-political decision-makers per province, Health District, communes involved in the fight against STI/HIV-AIDS	Partners' capacity of intervention
		Cover the STI cases by the syndromic approach and treatment of partners with directly observed samples	<p>Sensitise the target population on STI/AIDS and PEC STI case prevention, including among the underprivileged and high risk groups</p> <p>Produce IEC aids on STI and HIV/AIDS showing the complication and serious case to mobilise the population and opinion leaders</p> <p>Update AS in the public, private, denominational sectors, in private practices and NGOs working for high risk groups and underprivileged groups on PEC of STI by the syndromic approach</p> <p>Supply health structures with medicines and consumables for STI and condoms</p>	<p>Number of inter-sectorial partners, NGOs and associations involved in the fight against STI/AIDS</p> <p>Days number of supply shortage at DHO level</p> <p>Number of aids printed by categories</p> <p>% STI cases taken charge of according to the standards</p> <p>Day number of supply shortage per year</p>	<p>Materials and training methods adapted to the learners' needs</p> <p>Auto-medication free PEC of the poor by communes or by a third party</p>
		* Psycho-social and therapeutic Coverage	* Implement orientation-help structures	Number of operational recourse orientation centres	Availability of premises to restore in the 6 provinces

Priority Axis	Objectives	Strategies	Activities	Indicators	Hypothesis or conditions for success
		for HIV infected people	for HIV infected people living in the 6 provinces		
	<i>Syphilis-, hepatitis-, and HIV-free blood</i>	* Strengthen transfer security at all levels	* Train and relocate qualified staff, including social assistant for medical and psycho-social follow-up of HIV infected individual * Supply anti-AIDS medicine * Supply with reagents and blood bags the 6 Regional Blood Transfer Centres and 76 Blood Transfusion stations (28 DHCs2 and 48 new DHCs2) and the 76 Blood Transfer Centres (28 CHD2 and 48 new CHD2) * Reequip the CNTS and the 5 CRTS * Renovate and equip the 48 new PTS Activities * Equip 6 PTS of the 6 new CHD2/2000 * Reequip 22 PTS of the 22 CHD2 (ex-HMC)	* Number of operational CRTS and PTS	* Allow for specific training in STI/AIDS counselling and PEC * blood providers' healthy way of living
Priority Axis	Objectives	Strategies	Activities	Indicators	Hypothesis or Conditions for success
b – Cholera	* By 2003, reduce <i>Alliacs</i> rate from 0.3% To less than 0.1% to 0.03%	* Improve processing of objects and waste from HT of public, private, and denominational Sectors * Strengthen the fight against diarrhoic diseases like cholera by a multi-sector Approach	* Use appropriate incinerators at all levels to destroy dirty and single use objects for 130 CHD/CHR and specialised public/private/denominational establishments * Organise the social mobilisation on promoting hygiene and sanitation (pm) * Promote the construction and use of standardised latrines (pm) * Implement drinking water points at the level of communes, FKT, villages, and sustain their maintenance (pm)	* Nb of cholera cases/yr * Number of death caused by cholera/yr * death caused / cholera rate * % of population having access to latrines (pm) * % de la population having access to clear water (pm)	* Good collaboration with the water-sanitation sector
	* By 2003, reduce				

Priority Axis	Objectives	Strategies	Activities	Indicators	Hypothesis or conditions for success
	<i>Cholera lethality Rate from 5.5% to 1%</i>		* Cover cholera cases and their contacts , and carry out disinfecting		
c – Malaria	* By 2003, reduce Malaria morbidity rate in external consultation from 18.4% to 1.3%	* Reinforcement of malaria control	* Implement community chloroquin distribution centres in quarters Or Fokontany in the stable malaria zones (especially landlocked or far from HT)	* <i>Paludal morbidity rate</i> * Lethality rate caused by malaria	* Define distribution and supply circuit of chloroquin * Mosquito net and insecticide (subsidised prices) define Supply mode And texts related to tax exemption * Medicine supply ensured * Community and DTC Engagement
	* By 2003, reduce malaria lethality rate from 9.1% to 6.5%		* Multiply impregnated mosquito net distribution centres by giving priority to stable malaria zones * Supply the HT in medicine treating Malaria cases (pm) * Organise every year intra-house insecticide With the persistent effect In instable malaria zones and Cut off the central high lands		
d – Leper	* By 2003, reduce <i>Leper predominance to less than 1p 10,000 inhabitants</i>	* Reinforcement of leper eradication at national level, especially in high prevalence areas	* Promote IEC activities - leprosy by The production of "elimination Kit ": audio-visual ads spots, leprosy identification Sheets, and IEC medium for illiterates * Intensify detection activities By community participation	* <i>Leprosy predominance</i> * % of dropouts * Number of new detected Cases	* Compliance to treatment * Development of local Partnership

Priority Axis	Objectives	Strategies	Activities	Indicators	Hypothesis or Conditions for success
e – Tuberculosis	<p>* Increase the number Of new cases TPM More than 2% per yr in 2000-2001 and of 1% Per year in 2002 – 2003</p>	* Reinforce fight against tuberculosis	<p>* Freely cover detected cases By polychemotherapy with administration supervised by health agent or family</p>	<p>* Number of healed cases * Coverage in PCT</p>	* Medicine supply ensured
			<p>* Prevention and coverage of handicapped In the framework of Project on "prevention of handicapped and rehabilitation of physical handicap" or PHRP</p>	<p>* % of healed patients Presenting a degree of invalidity 2</p>	* Fonctionalization in Detection by community Participation
f – Plague	<p>* Decrease by 20 to 10% Lethality rate by plague Until 2003</p>	Reinforce fight against plague	<p>* Promote to reach the community level Systematical and early detection activities Of suspect cases with disadvantaged groups (18,859 cases to be detected /year In average</p>	<p>* Reference of individuals with Chronic cough * Number of new detected cases TPM +</p>	* Stability of the technicians At their jobs
			<p>* free coverage for cases treatment (28,289 treatments / yr in average)</p>		* Medicine supply ensured
			<p>* Sensitize population to declare murine mortality * Organise social mobilisation to promote hygiene and sanitation of the area To fight against rates and other potential plague reservation, and to fight against plague vectors.</p>	<p>* Number of confirmed new Cases * Lethality rate by plague</p>	* Early detection of plague By sensitising people to declare murine mortality * Professional health vigilance to support the population to undertake preventing measures against plague
			<p>* Educate the population on suspicious plague signs And how to behave * Treat the cases and the contacts</p>	<p>* Proportion of pulmonary plague cases among new reduced cases * Number of treated cases</p>	<p>* Avoid the proliferation of Virus reserves</p>

Priority Axis	Objectives	Strategies	Activities	Indicators	Hypothesis or Conditions for success	
1 – Bilharziose	* Reduce the Bilharziose Predominance in Hyperendemic zones At less than 20% in 2003	* Reinforce fight against Bilharziose	* Support the districts and communities to Conduct rat extermination and disinfecting Operations	* operations realised according To results supervision	* Regularly supply In medicine and reagents	
			* Acquire insecticides for focused interventions	* % focused spraying Around the cases		
			* Implement a standardised alert system And adapted response	* Buy 2 4WD vehicles, trucks		* Interval (days) between alert And technical intervention In landlocked zone
			* Development of anti-vectorial fight activities	* Purchase 100 off-road motos		* Number solid apparels
			* Development of partnership	* Purchase 400 powdering apparels		
				* Create local supervision committees And support them in hygiene and sanitation Materials		* Number of effective sanitation And supervision activities In focus villages
				* Cover operation costs Of hygiene and sanitation		
				* Identify and treat hyperendemic villages		* Number of polls done
				* Make available to sanitary centres Antibilharzian and antihistaminic medicines		* Number of identified and treated hyperendemic villages
				* Reinforce in materials and reagents The sanitary centres		* Number Urinary and intestinal Bilharziose detected and treated cases

Priority Axis	Objectives	Strategies	Activities	Indicators	Hypothesis or Conditions for success
g – Cysticercosis	<p>* Reduce Cysticercosis Predominance in Villages concerned by Studies from 20 to 15%</p>	<p>* Reinforce fight against taeniasis and Cysticercosis</p>	<p>* Earlier coverage of the cases of Bilharziose diagnosed in clinics and/or By parasitology</p>		<p>* Integration program fight In DHO activities</p>
			<p>* Reinforce social mobilisation to fight Against fecal and urinary peril, safe water supply And fight against molluscs, intermediary hosts</p>		<p>* Continued sensitisation population for the fight</p>
			<p>* Conduct IEC campaign: fight against fecal peril, Non-fenced pig breeding</p>	<p>* Number of identified and treated hyperendemic villages</p>	<p>* Financing acquisition</p>
			<p>* Conduct epidemiological surveys</p>		
Health Promotion and Prevention	<p>* Until 2003, increase of 2% to 6% number of Handicapped persons (HP) benefiting cares</p>	<p>* Prevention and coverage of HP in the sanitary districts</p>	<p>* Do research on implementation of diagnostic method</p>		
			<p>* Cover hyperendemic villages from taeniasis and cysticercosis, and individual treatment</p>	<p>* Number of treated taeniasis and Cysticercosis</p>	<p>* Integration of fight in DH and UH activities</p>
			<p>* Treatment of hyperendemic villages taeniasis and cysticercosis</p>		
			<p>* Create in 12 DH2 a Prevention and Treatment Unit (PTU) for HP</p>	<p>* Number of PTU created</p>	<p>* Recruitment of Kiné and Apparel orthopaedist To render the PTU operational</p>
			<p>* Elaborate brochures for Auto Teaching Assisted by maternity agents in matters of early detection of deficiencies and malformations</p>	<p>* Number of trained and supervised agents</p>	<p>* Retraining of health agents</p>

Priority Axis	Objectives	Strategies	Activities	Indicators	Hypothesis or Conditions for success
			<ul style="list-style-type: none"> * Disseminate brochures * Realise formative supervisions * Train surgeons on osteo-tendinous de liberation acts of inferior members 	<ul style="list-style-type: none"> * Nb of disseminated brochures * Nb of supervised agents * Nb of trained surgeons and Who are equipped in Kits PBVEC 	
	<ul style="list-style-type: none"> * Reduce PBVEC surgical Cases of 1st intention To 60% * Increase the cases de 	<ul style="list-style-type: none"> * Instore coverage of PBVEC children of from 0 to 2 yrs old 	<ul style="list-style-type: none"> * Make available to services (CRMM, CAM, SAR, PTU) consumables for early treatment 	<ul style="list-style-type: none"> * Number of treated PBVEC According to treatment type 	
	<ul style="list-style-type: none"> * Until 2003, improve oral-dental status of 	<ul style="list-style-type: none"> * Promotion and prevention in oral-dental health for primary school pupils 	<ul style="list-style-type: none"> * Conduct IEC activities: convince families to bring their babies for cares as soon as they are born * Train IEC and health prevention strategies studies educators in oral-dental health. * Inform and sensitise in oral-dental health primary school pupils and disadvantaged groups in 111DHO. 		<ul style="list-style-type: none"> * Dental personnel (dental surgeons) sufficient in quantity and in quality, doe activities realisation.
	<ul style="list-style-type: none"> Primary school pupils and The disadvantaged Groups 	<ul style="list-style-type: none"> And for disadvantaged groups 	<ul style="list-style-type: none"> * Sanitary education for pupils by trained Educators * Celebration of SBD sensitisation days * Broadcast SBD spots on TV and radio 	<ul style="list-style-type: none"> * Nb of oral-dental programs On TV and radio 	<ul style="list-style-type: none"> * Recruitment of dental personnel.
			<ul style="list-style-type: none"> * Grant primary schools and the CHCS Of the 111 DHO in oral-dental IEC Kit * Promote the fluorine input into primary school water of the 111 DHO 	<ul style="list-style-type: none"> * Nb of schools and dental cabinets/DHO granted with IEC Kit. * Nb of schools with With fluoridated water network 	

Priority Axis	Objectives	Strategies	Activities	Indicators	Hypothesis or Conditions for success
			* Promote toothbrush and fluoridated toothpaste in primary schools of the 111 DHO		
			* Create 46 new dental structures in The town counties of the still deprived 46 DHO	* Nb created dental structures	
			* Create 50 school oral-dental health centres In still deprived 50 DHO of town counties	*Nb created oral-dental health Centres	
	* Dispense primary oral-dental health care of quality to pupils and individuals Disadvantaged people with high risk of tooth Decay		* Rehabilitate and equip the 94 public dental cabinets of 59 DHO out of 65	* Nb of operational dental cabinets And capable to realise Dental cares	
			* Provide detection Kit to 146 public dental cabinets Of the town counties of the 111 DHO And the 56 centres of school	* Nb of dental cabinets Granted with detection Kit	
			* Provide scaling kit to 146 public dental cabinets Of the town counties of 111 DHO And the 56 SDB school centres	* Nb of dental cabinets Granted with scaling Kit	
			* Supply essential dental products To 146 public dental cabinets Of the town counties of the 111 DHO and the 56 School SDB centres	* Nb of dental cabinets Granted with essential dental products	
			* Detect tooth decay and parodontopathy of pupils and disadvantaged people with high risk of tooth decay in the 111 DHO	* Nb of pupils and individuals With high risk of detected Tooth decay	

Priority Axis	Objectives	Strategies	Activities	Indicators	Hypothesis or Conditions for success
Access of poor People to quality Health services	* Improve the access of The poor people to Promotional, preventive Services, and quality Cares	* Make available to each municipality with at least one public HT able to do quality curative, preventive, and promotional activities	* Cover basic oral-dental cares to pupils And disadvantaged people With high risk of tooth decay	* Nb of pupils and persons With covered basic dental Cares	* Costs at the level of CHCS Maintained, inferior to those of private HT
			* Supervise SBD activities at the level of CHCS and Oral-dental school centres in DHO	* Nb of supervisions done	
Access of poor People to quality Health services	* Improve the access of The poor people to Promotional, preventive Services, and quality Cares	* Consolidate financial participation of users	* Transform 258 CHC1S into CHC2S and equip	* Curative medicine use rate In public-private CHCS	* Quality of service
			* Build and equip 184 new CHC2S	* Available health staff	
Access of poor People to quality Health services	* Improve the access of The poor people to Promotional, preventive Services, and quality Cares	* Consolidate financial participation of users	* Build and equip 87 CHC1S. * Rehabilitate and reequip 669 CHC1S/CHC2S (Mobilise material, qualified human, and financial resources for new CHCS)	* % of equipped CHCS according to standards * % of CHCS having personnel according to standards	* Available financial resources To ensure newly created HT operations
			* Establish 62 wholesale District chemistries	* Number of Districts Chemistries * Products supply rhythm To District Chemistries Compared with established schedule	* Essential Medicine and consumables Purchase Central deliver quality products, at competitive prices, at the level of CHD2 and District Chemistries
Access of poor People to quality Health services	* Improve the access of The poor people to Promotional, preventive Services, and quality Cares	* Consolidate financial participation of users	* Regularly supply generic essential medicines, en consumables, contraceptives, and laboratory reagents to the 111 wholesale District chemistries	* Number of pilot committees And management Benefiting from training Sessions	* Quality of service
			* Train the members of the pilot Committee (CHU/CHR/CHD2) and the board of management (CHD1/CHCS) on HT management		

Priority Axis	Objectives	Strategies	Activities	Indicators	Hypothesis or Conditions for success
			<ul style="list-style-type: none"> * Organise regular internal auditing of IPFU by implying board of management members, Control board, pilot committee And the municipalities * Harmonize according to purchase power (indigent, peasant, public, foreigner) the services at the level of public, private, and non-profit making denominational health structures 	<ul style="list-style-type: none"> * Periodicity of internal auditing done * Nb internal auditing implying Board of management, Of control, and municipalities * Nb concertation meeting Between sectors on tariffs * Existence of harmonised tariffs 	<ul style="list-style-type: none"> * Management procedure and tools for internal auditing sake available * Different committees having required capacities to Conduct auditing
		<ul style="list-style-type: none"> * Implement collective solidarity mechanisms At the level of community as supplemental strategy Id PFU (direct payment) by integrating Disadvantaged groups and indigents 	<ul style="list-style-type: none"> * Put in place a solidarity box Sustained at the municipalities level with a part of subsidy that has been allocated to them and By a part of the income from taxes and duties Collected by the municipalities to cover the indigents (estimated at 7.5% of population) 	<ul style="list-style-type: none"> * Approval of Budget Ministry * Nb of municipalities having Solidarity box to cover the Indigents 	<ul style="list-style-type: none"> * Collaboration between Different sectors * Precise definition of "indigents" adopted by all Municipalities Commune Engagement in creating and managing the box * Census real indigents Done by municipalities * Transparent management of funds Using appropriate management tools
			<ul style="list-style-type: none"> * Put in place solidarity funds at the level Municipalities/Region in the form of prepayment On risk distribution and put minimum Social protection of the poor(representing approximately 55% Of the extremely poor population) 	<ul style="list-style-type: none"> * Approval of Ministries of Finances/Economy – Budget * Appropriate mechanism of prepayment defined adopted by the Parliament * Number of boxes created at the level of municipalities and/or Regions 	<ul style="list-style-type: none"> Leader in implementation of mechanism : Ministry of Finances and Economy(DGEP) Support from international cooperation in creating Organisational capacity * Use of part of resources Received from debt relief

Priority Axis	Objectives	Strategies	Activities	Indicators	Hypothesis or Conditions for success
		* Development of community reference system	<p>* Initiate through community leaders</p> <p>The constitution of solidarity funds During crop period (pm)</p> <p>* Promote income generating activities To feed the solidarity box (pm)</p> <p>* Inform and sensilise community on Alarm signs and on dangers related to late Reference</p> <p>* Help community to have reference mean Adapted to local context</p>	<p>* Existence of solidarity Funds</p> <p>* Number of IGA done</p> <p>* Income received</p> <p>* % covered reference</p> <p>By solidarity funds</p> <p>* Type of target population</p> <p>* Existence and type of reference mean</p>	<p>* Subsidy of poor centred On offer done Through the Health Ministry</p> <p>* Guaranty from International Cooperation in putting together community resources</p> <p>* Definition of purchase strategy between purchaser and public service provider or other</p> <p>* Limitation of number of boxes</p> <p>Collaboration of community Leaders</p> <p>* Financial and/or material motivation of leaders of community associations</p> <p>* Support international cooperation in investment and management Of IGA</p>

APPENDIX 6. TABLE OF ORIENTATIONS, STRATEGIC AXES AND RURAL DEVELOPMENT PROGRAMMES

TABLE OF ORIENTATIONS, STRATEGIC AXES, AND RURAL DEVELOPMENT PROGRAMMES

ORIENTATIONS	STRATEGIC AXES	PROGRAMMES
1. Ensure good management of the rural world by defining and implementing institutional reforms and regulatory framework	1.1. Improvement of the PADR institutional framework and housing structures in view of role clarification necessity and rural development actors' responsibilities 1.2. Setting up of a judicial and regulatory environment favourable to rural development	1.1.1. Ministry reforms and support to devolution/decentralisation process 1.1.2. Setting up of an information system on rural development 1.2.1 Matching and actualisation of the regulatory framework
2. Elicit emergence of economic actors, partners in rural development	2.1. Modernisation of agriculture and development of private initiative and know-how 2.2. Production and exports diversification 2.3. Development and sustainability of the rural world financing	2.1.1. Promotion of agricultural trade organisations 2.1.2. Development of the sectors and products valorisation 2.1.3. Support to the private initiative development 2.1.4. Restructuring the educational and agricultural training systems 2.2.1 Promotion of non-agricultural economic activities 2.2.2 Promotion of production diversification 2.2.3 Export products development 2.3.1 Development of financing systems adapted to the rural world
3. Increase and promote agricultural production by optimum use and sustainable management of resources and infrastructures	3.1. Implementation of adequate techniques and technology 3.2. Preservation of the environment and rational management of rural spaces 3.3. Introduction of organisation, management and infrastructure development mechanism	3.1.1 Research and outreach 3.1.2 Management and soil fertility restoration and conservation 3.1.3 Animal and plant health 3.1.4 Intensification of animal and plant production 3.2.1 Natural resources management (forest, watershed, pasture, fishing) 3.2.2 Designing rural development Plans, extension of land access , and land tenure security intensification 3.3.1. Integrative programme for rehabilitating hydro-agricultural networks (irrigation infrastructures, water users associations, watersheds,) 3.3.2. Development and management of the other rural infrastructures
4. Ensure sufficient food availability in all regions	4.1. Ensuring food supply stability and permanence 4.2. Preparation to emergency	4.1.1. Means of transport promotion 4.1.2. Rural transport development, integrative management and infrastructures maintenance 4.1.3. Market development and organisation 4.2.1 Disaster warning and monitoring system
5. Develop social infrastructures for the purpose of improving social service access	5.1. Accessibility to drinking water 5.2. Availability of basic social services 5.3. Improvement of housing conditions	5.1.1. Access to drinking water 5.2.1 Setting up proximity health services 5.2.2 Setting up proximity education services 5.3.1 Promotion of decent housing 5.3.2 Security in rural areas

APPENDIX 7. SYNTHESIS OF THE MAIN PARTICIPATORY CONSULTATIONS

PROGRAMME	THEMES TO BE DISCUSSED	DATE	PARTICIPANTS TO THE CONSULTATION	INSTITUTIONAL LEVEL	PROGRAMMING STAGE
Action Programme for Rural Development (PADR : Programme d'Action pour le Développement Rural)	- Identification of the constraints and regional opportunities	From 09/25/00 Through 02/24/01	the 5 colleges of GTDR : - Rural Organisations - Local elected authorities - Economic Operators - Decentralised public Services - NGOs & Projects	Regional	Formulation of Regional Program of Rural Development (RPRD)
	- Synthesis and formatting of DRAP	From 26/02/00 Through 03/25/01	- Piloting Permanent Team (PPT) of APRD - Consultants - CIOV	Central	Elaboration of APRD.
	- Reflections on Agricultural taxation & Rural security	December 2000 And January 2001	- Central thematic Groups	Central	GTDR Work tools.

PROGRAMME	THEMES TO BE DISCUSSED	DATE	PARTICIPANTS TO THE CONSULTATION	INSTITUTIONAL LEVEL	PROGRAMMING STAGE
SEECALINE (Nutrition)	<ul style="list-style-type: none"> - Anthropomandric investigation - Dietetic investigation - Recipients investigation 	December 2000 to April 2001	<ul style="list-style-type: none"> - Recipients of Community Nutritional program - Idem - Recipients - Notables - Local Authorities - Project & administration. technicians 	<ul style="list-style-type: none"> - Communities - Idem - Communities & Municipalities. 	<ul style="list-style-type: none"> - Impact evaluation on nutritional situation. - Knowledge & capacity evaluation acquired on alimentation. - Evaluation of quality of services & techniques used in the program.
HEALTH MINISTRY	<ul style="list-style-type: none"> ▪ Execute Program activities : - Fight against nicotine addiction - Maternity without risk MWR - Vaccination - Nutrition - ICDC , STI - Fight against fecal peril & sanitation. - Malaria , epidemic diseases (plague, 	31 May 22 June all year 2001-2003	<ul style="list-style-type: none"> - Ministry Technicians: central , decentralised - Concerned partners, NGOs, associations, community Volunteers , students, parents' students - Communities. 	<ul style="list-style-type: none"> - Municipalities - Fivondronana 	Program Implementation

PROGRAMME	THEMES TO BE DISCUSSED	DATE	PARTICIPANTS TO THE CONSULTATION	INSTITUTIONAL LEVEL	PROGRAMMING STAGE
	<ul style="list-style-type: none"> cholera) - Traditional healing. ▪ Elaborate National Policy of Sanitation: - Roundtable - General consultation - Workshop validation 	<p><u>4 November 2000</u></p> <p>April 2002</p> <p>2002</p>	<ul style="list-style-type: none"> - Central policymakers - Central Technicians - Senior staff - Regional policymakers, Technicians, Senior staff. - Central policy makers , - Central Technicians - Senior staff 	<ul style="list-style-type: none"> - Central - Provinces - Central 	Policy development
Private Sector Development National Program (PNSP : Programme National du Développement du Secteur Privé)	- Informing Employees on professional reinsertion.	December 2000 And Monthly in 2001	<ul style="list-style-type: none"> - Private sector - trade unions - Administration - Supporting Organisations 	At all levels central, provincial, regional, basic structures.	Program implementation
	- Situation of implementation of PSDNP actions in the 6 provinces.	1 st term 2001	<ul style="list-style-type: none"> - Private sector - trade unions - Administration - Supporting Organisations - Employers' organisations 	6 Provinces	idem
	<ul style="list-style-type: none"> - Employees' Training - Participatory approach for implementing an enterprise nursery. 	January 2001	<ul style="list-style-type: none"> - Private sector - Professional associations 	Provinces & Central	idem

PROGRAMME	THEMES TO BE DISCUSSED	DATE	PARTICIPANTS TO THE CONSULTATION	INSTITUTIONAL LEVEL	PROGRAMMING STAGE
	- Government policy on poverty reduction & Ministry Program.	February 2001 Monthly	- Financial donors - Supporting Organisations - Private sector - Administration - MDSPP Decentralised Employers.	2 Provinces : Fianarantsoa & Toliara 6 provinces	idem idem
Intervention Fund for Development (FID : Fonds d'Intervention pour le Développement)	- Participatory evaluation of Community for municipal development plan elaboration	<u>All year 2000</u>	- City/ Fokontany Populations - Municipal/City Council	- Communes - Communes - Fivondronana	Plan development
	- Participatory evaluation of Development Community Fund (FDC)	2nd half of October 2000	- Administrative officials - Technical ministry - Mayors - Civil Societies	- 6 Provinces	Evaluation of FDC
	- Participatory evaluation of Development Community Fund (FDC)	January-June 2001	- Administrative officials - Technical ministries - Mayors - Civil Societies	- Regions and Fivondronana	Evaluation of FDC
Pilot Project on Drinking water Supply in rural area (PAEPAR Et AESPE : Projet Pilote d'Alimentation en Eau Potable pour le Milieu Rural)	- Implementation of Water National Authority (NAW)	25 October 2000	Prime Minister's office, concerned Ministries, ENO, JIRAMA (electricity and water company).	- Central	Implementation (ANDEA)
	- IEC National Strategy (Information- Education- Communication) for drinking water Sector.	2 November 2000	Ministries, ONGs Civil , Societies, international Bureaux d'Etudes, Cooperation	- Central	Elaboration of IEC national strategy
	- Reflection workshop on implementation of	3 November 2000	Ministries, NGOs Civil Societies, Bureaux d'Eudes, international Cooperation	- Central	Elaboration of sanitation national policy.

PROGRAMME	THEMES TO BE DISCUSSED	DATE	PARTICIPANTS TO THE CONSULTATION	INSTITUTIONAL LEVEL	PROGRAMMING STAGE
	implementation of sanitation national policy.		d'Eudes, international Cooperation		national policy.
National program of Population (PNP Programme National pour la Population)	- NPP Regional Programming in the 6 provinces.	<u>From March to July 2001</u>	- Decentralised Services , ONG, Civil Society, Private sector, Elected officials, basic traditional religious Communities	- 6 provinces	NPP Implementation
	- Annual meeting of Specialised Technical Commissions on Population issues (STCP)	July 2001	- Multidisciplinary technical team	- Central	NPP Implementation
	- Annual meeting of PNC	October 2001	- PNC	- Central	NPP Implementation

PROGRAMME	THEMES TO DISCUSS	DATE	PARTICIPANTS TO THE CONSULTATION	INSTITUTIONAL LEVEL	PROGRAMMIG STAGE
Programme Environmental P.E.II	<ul style="list-style-type: none"> ▪ Elaborate phase 3 of the Environment Program: 				
	<ul style="list-style-type: none"> - Formulation of strategic axis. 	4 th term	<ul style="list-style-type: none"> - EP2 Participating parties - Local administration - Local elected officials - AGEX on location 	Central	PE.3 Elaboration
	<ul style="list-style-type: none"> - EP3 and Biodiversity - Mahajanga. 	11/8-10/00	<ul style="list-style-type: none"> - Local authorities, - Technical services, - Projects or environmental development, - NGOs and associations, - Basic community or farmer organisation. 	Regional : <u>Sofia, Boeny and Betsiboka.</u>	Idem
	<ul style="list-style-type: none"> ▪ Meeting of Regional programming on various themes : 				
	<ul style="list-style-type: none"> - Strategies to improve parks and reserves management and to reduce poverty in peripheral zones. 	4 th term	<ul style="list-style-type: none"> - Parks directors - Reserves chiefs 	Central	Implementation of PE.2
	<ul style="list-style-type: none"> - Communication in rural areas, vision for EP.3 	idem	<ul style="list-style-type: none"> - Regional antenna directors 	Central	
	<ul style="list-style-type: none"> - Biodiversity Regional Strategy 	idem	<ul style="list-style-type: none"> - Biodiversity managers - Scientific Partners - Local authorities 	Central	
<ul style="list-style-type: none"> - Create a regional structure for development 	1/20-21/00	<ul style="list-style-type: none"> Departmental Structures, associations, NGO. 	Regional : DIANA	Regional : Farafangana, Nosy Varika, Ambohimahaso,	
<ul style="list-style-type: none"> - Support regional structure emergence, the elaboration of situation inventory and a zoning plan, the prioritisation of problems and the identification of action paths. 	From 26 October to	<ul style="list-style-type: none"> Territorial administration, local elected officials, local and regional contributors, private operators, NGO, 			

		30 November 2000	peasants organisations.	Ambalavao, Ikalamavony, Fandriana, Ambositra, Ambatofinandrahana, Ihosy, Ivohibe, Vangaindrano, Midongy du Sud, Manakara, Ifanadiana, Soalala and Mitsinjo.	
	- Elaborate a municipal development plan and implement Municipal Development Communities (MDC) in Miandrivazo, Befasy, Foulpointe	11/13-15/00	Idem	Idem	Idem.
	- Exchange meaning between concertation structures of the Eastern zone (CORDAL, CRD Mangoro, CRD Brickaville, CD Fénériver Est)	11/23/00	Idem	Idem	
	- Prioritise issues and interventions centring (Moramanga-Alaotra).	12/11-12/00	Idem	Idem	
	- Regional monitoring-evaluation SOFIA-Antsohihy	and 12/14-17/00	Idem	Idem	
	- SIR SOFIA-Antsohihy and other municipal county-towns.	10/25-26/00	Idem	Idem	
	- Environmental communication – Mampikony	Beginning of November	Idem	Idem	

-	Sub-program development -Village around the Andranomiditra Forest (Mampikony), and northern part of classified forest of Bongolava.	10/24-28/00	Idem	Idem	
-	Participatory evaluation of renewable energy management transfer system.	Beginning of October for 5 weeks.	EP-2, Local administration, elected officials, communities, technical services	National	
-	Diagnosis, analysis, and definition of strategic axis in Tolagnaro and Amboasary.	4 th term	Idem	Regional	
-	Regular meetings of the Reflection and Working Group members (RWG) on Marine and Coastal Environment (MCE) in Antananarivo, Toliara, Nosy-Be (eventually in Toamasina)	Nov 2000 4th term	Idem	Regional	
-	Actions to be taken by MCE in Foulpointe and in Morondava.	November	CACPLF, CRD	Regional	
-	Present orientation document of Integrated Policy of Coastal Zones) Toliara, Nosy-Be and Toamasina.	December	Local elected officials, public services, Associations, ONG, community representatives.	National	
-	Elaborate sub-program related to energy issues in peripheral zone of Toliara.		Idem		
-	Elaborate MIP and sub-program	1st week of December	Idem		
-	Valorise apiculture medicinal plants		Idem		
-	Integrate environmental part in the development diagram of the Anosy region	23 Oct – 22 dec.	Idem		
					Evaluation: - review procedures - relevance of different stages and approach Implementation

<ul style="list-style-type: none"> - Regional development in Morondava - Establish municipal limitations definitions, of Brickaville and Sakaraha. ▪ Participatory planning of Annual Work Plan 2001. ▪ Environmental Training: <ul style="list-style-type: none"> - For community-based opinion leaders - In higher education ▪ Environmental dimension ▪ Specific problems in urban areas 	<p>Oct-Nov 2000</p> <p>4th term</p> <p>4th term</p> <p>Oct-Nov 2000</p> <p>4th term</p> <p>Nov. 2000</p> <p>Dec. 2000</p> <p>Nov-Dec 2000</p> <p>Nov.2000</p>	<p><u>P.E-2, CRD, local partners.</u></p> <p>Idem</p> <p><u>FTM, Mayors.</u></p> <p>- Central Direction (DGEF) - Decentralised Entities</p> <p>Traditional Representatives of the authority Ampanjaka, Tangalamena, Loholona, Sojabe, Zokiolona, Ombiasy.</p> <p>CFSIGE, Cadres de GRENE, MILAC (Military academy)</p> <p>NGO, Associations of training centres and organisations.</p> <p>NGO, Associations, Ministries</p>	<p>Regional</p> <p>Central</p> <p>Municipalities, Fokontany, villages</p> <p>National trainers</p> <p>Regions</p> <p>Regions</p>	<p>ion</p> <p>PTA 2001 development</p> <p>EP.2 Implementation: sensitising, training</p> <p>Idem</p> <p>Idem</p> <p>Idem</p>
--	---	---	--	---

	<ul style="list-style-type: none"> Development and conservation actions programs actions. 	Nov.2000	OSBL	Regions: Ankazomivady, Ambositra, forêts des sept lacs.	<u>Implementation of PE2: elaboration of development and renovation diagrams.</u>
	<ul style="list-style-type: none"> Programming training in public Colleges 	Nov-Dec 2000	ENAM-ENMG-ENS	Central	Implementation of PE.2: training
Urban Program to Fight against Poverty (PULP : Programme Urbain de Lutte contre la Pauvreté)	<ul style="list-style-type: none"> Briefing on PULP and presentation of the consultation structure overview and the nation-city contract 	12-10-2000	<u>Interpartner Working Groups</u>	Central	Finish implementation of PULP program
	<ul style="list-style-type: none"> Briefing on recommendations from working group of 10-12-2000. 	27-10-2000	Limited Group: MinATV, DGPA, PAIQ, APGU, UNDP	Idem	Idem
	<ul style="list-style-type: none"> Tidying of the PULP document. 	30-10-2000	MinATV	MinATV	Idem
	<ul style="list-style-type: none"> Individual consultation of donors in order to discuss PULP. 	02-11-2000 au 19-11-2000	World Bank, USAID, GTZ, JICA, SCAC, UNDP, European Union, Swiss Cooperation.	Donors	Idem
	<ul style="list-style-type: none"> Introduce PULP to the Government. 	15-11-2000 au 27-11-2000	Government Members	Government	Idem
	<ul style="list-style-type: none"> Roundtable of donors on PULP. 	12-12-2000	Government Members and Donors	Government and donors	Idem
	<ul style="list-style-type: none"> Launch the procedures for operating process of PULP. 	January-March 2000	Extended interpartner working group	Central	Prepare implementation

	<ul style="list-style-type: none"> ▪ Send, popularise, explain the procedures to municipalities especially to those which do not benefit from technical and financial supports. ▪ Consultation with the Government and donors in order to budget for the contract. ▪ Project implementation. 	<p>March –May 2000</p> <p>June-Sep 2000</p> <p>Sep-Dec. 2000</p>	<p>Targeted members of the regional consultation structure per city and per region.</p> <p>Government and donors</p> <p>Targeted members of the interministerial and regional structure</p>	<p>Regions and cities</p> <p>Government and donors</p> <p>Central and in the cities</p>	<p>of the program</p> <p>Idem</p> <p>Idem</p> <p>idem</p>
<p>Education National Program (PNAE 2 : Programme National Education)</p>	<ul style="list-style-type: none"> ▪ Preliminary validation of PNAE 2 document ▪ Present final PRSP 	<p>Dec. 2000</p> <p>March 2001</p>	<ul style="list-style-type: none"> - Representatives from central educational directors (Rectors, provincial directors, Cisco heads) - Local educational partners (Civil Societies, Communities) - High officials of the 5 Ministries - Representatives from the Civil Society - High officials of financial partners of education - High officials from other ministries - Other educational partners 	<p>Regions and Provinces</p> <p>Central</p>	<p>Elaboration/drafting PRSP: Consultation with decentralised structures</p> <p>Elaboration: final PRSP version on education.</p>

<p>CNATP (Autonomous Provinces)</p>	<ul style="list-style-type: none"> Judicial popularisation, workshops, questions-answers sessions 	<p>Each time a text is published</p>	<p>- Representatives from territorial administration (Prefects, prefects assistants, delegation from administrative departments) of the autonomous provinces</p>	<p>Region</p>	<p>Implement Autonomous Provinces</p>
	<ul style="list-style-type: none"> Develop compiled texts on justice 	<p>Last 2 months 2000 and 1st term 2001</p>	<p>- Technicians from Ministries, experts, consultants (MinJus)</p>	<p>Central</p>	<p>Idem</p>
	<ul style="list-style-type: none"> Texts on law 63 015 update on public finance 	<p>End 2000</p>	<p>- Technicians from Ministries, experts, consultants Finances, Budget, MinInter.</p>	<p>Central</p>	<p>Idem</p>
	<ul style="list-style-type: none"> Particular texts: capital statute, public and private domains of the autonomous provinces. 	<p>1st term 2001</p>	<p>- Prime Minister's Office, technicians from ministries, experts, consultant MinATV</p>	<p>Central</p>	<p>Idem</p>
	<ul style="list-style-type: none"> Text on Senate (organic laws) 	<p>Last 2 months 2000 and Jan-Feb 2001</p>	<p>- Home Ministry, Ministry of Justice, General Secretary Budget, General Manager Decentralisation</p>	<p>Central</p>	<p>Idem</p>
	<ul style="list-style-type: none"> Technical support to drafting statutory laws as need 	<p>Feb- March 2001</p>	<p>-</p>	<p>Provinces</p>	<p>Idem</p>
	<ul style="list-style-type: none"> Prepare to provide first means, prepare to held Interprovincial Conference 	<p>April-May-June-July 2000</p>	<p>- Senior staff and officials in charge of the structures of the autonomous provinces</p>	<p>Central</p>	<p>Idem</p>

<ul style="list-style-type: none"> ▪ Prepare capacity transfer and technical support to drafting conventions on capacity transfer ▪ Elaborate manual of procedures and assist in request/demand ▪ Exercise new capacities by autonomous provinces ▪ Prepare presidential elections. 	Aug-Sep 2001	-	Representatives from the Presidency, Prime Minister's Office, Autonomous Provinces, all concerned ministries.	Central	Idem
	Aug-Sep 2001	-	Senior staff and officials in charge of the structures of the autonomous provinces,	Central	Idem
	Oct-Nov- Dec 2001	-	Budget technicians, and General Manager Decentralisation	Central	Idem
	Oct-Nov- Dec 2001	-	Home Min., MinJus, Senate technical senior staff	Central	Idem
		-	Senior staff and officials in charge of the structures of the autonomous provinces		
	-	Home Affairs Min., Min. Justice, Budget			

**APPENDIX 8. POVERTY ASSESSMENT AND MONITORING PLAN IN THE FRAMEWORK OF THE PRSP :
PROPOSAL OF THE NATIONAL INSTITUTE OF STATISTICS (INSTAT)**

**POVERTY ASSESSMENT AND MONITORING PLAN
IN THE FRAMEWORK OF THE DPRS IN MADAGASCAR
PROPOSAL OF THE NATIONAL INSTITUTE OF STATISTICS
(INSTAT)**

I - CONTEXT

Madagascar is among the countries which engaged into the reform and structural adjustment process launched in the 80'. After a temporary break (1990-1995), the country endeavored to resume the dialog with the International Monetary Fund and the World Bank and consequently, drew up the Economic Policy Outline Document (EPOD 1996-1999). This document puts forth the main lines of macro-economic actions aimed at improving the structural adjustment process, initiating sustainable and steady economic growth and reducing the poverty level in Madagascar. As an outcome of the implementation of these different actions (macro-economic balance, liberalization of the exchange rate and the trade of some products, State's backing out and privatization, broader opening to globalization), some improvement was seen in the economic situation of the country as the economic growth rate has started being higher than the demographic growth rate. Though poverty reduction in Madagascar is listed among the objectives of the DPRS, this does not mean that it is the focal point in the interweaving of the different actions being carried out. Indeed, taking into account the past achievements and the current context where all the entities (Government, donors, private sector, civilian society, non governmental organizations, ...) focus their development actions on the issue of poverty reduction, the Malagasy Government, out of concern for its population's lot and standard of living, has shown its determination to pursue the reforms which were started and sets poverty reduction as the priority and main objective of all its actions. This is the object of the Document on Poverty Reduction Strategy (DPRS). One should remember that the last assessment of poverty was done in 1997: at that time, the proportion of the poor among the total population was about 69%.

II -OBJECTIVES

In the new perspective of poverty reduction, Madagascar needs to have a monitoring system for the Malagasy population's standard of living and for the Malagasy economy which should essentially allow for:

- picturing the initial situation (baseline period for the DPRS), that is to say having a fairly accurate idea on poverty level, different social indicators and macro-economic indicators, taking into account the achievements in the framework of the EPOD;
- follow up at regular time intervals the evolution of these different indicators in parallel with the implementation of macro-economic actions;
- eventually, answering specific and/or urgent needs of the Malagasy Government and the other development interveners (regions, private sector, NGOs, ...); and
- ensuring regular availability of structural indicators.

III - INDICATORS

There are countless indicators which can be reckoned and interpreted: definition, number, type, usefulness, and access mode. However, due to concerns related to cost, time and relevancy, many of these indicators can not be used as baseline indicators. They are certainly useful but can not serve the objectives previously defined. Indeed, the indicators must show at best the living conditions, represent the economic and social situation of households, especially the poorest ones, be sensitive to situation changes on the mean and long run, and finally, fit without too much difficulty into the current statistic system.

Therefore, it is important for Madagascar to monitor the following indicators²⁰:

Indicators	Monitoring
<u>Population</u>	
<i>Population</i>	
<i>Dependence ratio (number of inactive persons/number of active persons)</i>	<i>Survey and estimate</i>
<i>Urbanization rate (access to facilities: drinking water, school, healthcare)</i>	<i>Survey and estimate</i>
<u>Health and nutrition</u>	
<i>Disease incidence rate (% of illness during the last 2 weeks)</i>	<i>Survey and Ministry of Health</i>
<i>Rate of consultation at healthcare facilities</i>	<i>Survey and Ministry of Health</i>
<i>Wasting (malnutrition among children under 5 years)</i>	<i>Survey and Ministry of Health</i>
<i>Growth retardation rate ((malnutrition among children under 5 years)</i>	<i>Survey and Ministry of Health</i>
<i>Number of children observed with malnutrition</i>	<i>SEECALINE</i>
<i>Nutritional rehabilitation rate</i>	<i>SEECALINE</i>
<i>Immunization rate for children 11 to 23 months</i>	<i>Survey and Ministry of Health</i>
<i>Infant mortality rate</i>	<i>Survey and Ministry of Health</i>
<i>Contraceptive prevalence rate</i>	<i>Survey and Ministry of Health</i>
<i>Portion of the national budget allocated to the health sector</i>	<i>Ministry of Health/Budget</i>
<i>National expense per inhabitant</i>	<i>Ministry of Health and estimate</i>
<i>Household budget portion (or per quintile)</i>	<i>Survey and estimate</i>
<i>Mortality rate</i>	<i>Survey and Ministry of Health</i>
<i>Life expectancy</i>	<i>Survey and Ministry of Health</i>
<i>Public health worker/population ratio</i>	<i>Survey and Ministry of Health</i>
<i>Bed/sick person in the public sector ratio</i>	<i>Survey and Ministry of Health</i>
<i>Private health worker/population ratio</i>	<i>Survey and Ministry of Health</i>
<i>Bed/sick person in the private sector ratio</i>	<i>Survey and Ministry of Health</i>
<u>Housing, water and sanitation</u>	
<i>Drinking water access rate</i>	<i>Survey and JIRAMA</i>
<i>Electricity access rate</i>	<i>Survey and JIRAMA</i>
<i>Percentage of functioning public wells or fountains</i>	<i>Survey and estimate</i>
<i>Toilet utilization rate (latrines+ cesspool + septic tank)</i>	<i>Survey and Administration</i>
<u>Education</u>	
<i>Literacy rate (adults)</i>	<i>Survey and Ministry of Education</i>
<i>Ratio public trainer/population</i>	<i>Survey and Ministry of Education</i>
<i>Ratio private trainer/population</i>	<i>Survey and Ministry of Education</i>
<i>Schooling rate (gross and net)</i>	<i>Survey and Ministry of Education</i>
<i>Success rate at the different official exams</i>	<i>Survey and Ministry of Education</i>
<i>Pupil/teacher ratio</i>	<i>Survey and Ministry of Education</i>
<i>Pupil/classroom ratio</i>	<i>Survey and Ministry of Education</i>
<i>Boys in school/girls in school ratio</i>	<i>Survey and Ministry of Education</i>
<i>Portion of the national budget allocated to education</i>	<i>Ministry of Education/Budget</i>
<i>National expense per inhabitant</i>	<i>Ministry of Education and estimate</i>
<i>Household budget part (or per quintile)</i>	<i>Survey and estimation</i>

²⁰ These indicators can be calculated by the Faritany, by background and gender

Indicators	Monitoring
<u>Employment</u> <i>Activity rate</i> <i>Unemployment rate</i> <i>Salary by sector</i> <i>Employment income</i> <i>Under employment</i> <i>Salaried rate</i> <i>CNaPs registration rate for salaried</i>	<u>Survey and estimate</u> <i>Survey and estimate</i> <i>Survey and estimate</i> <i>Survey and estimate</i> <i>Survey and estimate</i> <i>Survey and estimate</i> <i>Survey and estimate</i> <i>Survey and CNaPS</i>
<u>Feeding</u> <i>Expense per capita</i> <i>Consumption Price Index</i> <i>Purchasing Power parity</i> <i>Consumption structure (food/non food, cereal/meat)</i> <i>Food appraisal</i> <i>Food availability per capita</i>	<i>Survey and estimate</i> <i>Price services</i> <i>Survey and estimate</i> <i>Survey and estimate</i> <i>National Accounting and MinAgri²¹</i> <i>National Accounting and MinAgri</i>
<u>Economic aggregates</u> <i>GIP per capita</i> <i>Income per capita</i> <i>Land access rate</i> <i>Inflation rate</i> <i>National savings</i> <i>Inequality indicators (GINI, THEIL...)</i> <i>Portion consumed by the poorest/the richest</i> <i>Poverty indicators Pi Alpha (FGT: incidence, intensity, severity)</i> <i>Human development indicators (IDH, ISDH, IPH, IPF, ...)</i>	<i>National Accounting</i> <i>Survey and estimate</i> <i>Survey and estimate</i> <i>Price service</i> <i>National Accounting</i> <i>Survey and estimate</i> <i>Survey and estimate</i> <i>Survey and estimate</i>

IV. METHODOLOGY

1*. *Global framework*

The methodology is the basic core of a monitoring system and must fit within an existing statistic information system since indicators can be classified into 4 categories in this system, according to availability, frequency and source:

- structural indicators (data on population taken from census);
- administrative indicators;
- indicators from surveys carried out by other institutions, indicators from qualitative and quantitative surveys carried out as part of the monitoring system and
- macro-economic indicators.

2° *Survey system in the framework of the DPRS*

There are several surveys which can meet the needs of DPRS in statistics and these surveys can be coordinated. One must acknowledge that some surveys are carried out in order to obtain a detailed picture of a given situation or the evolution of a well defined sector. Besides economic aggregates, all the indicators can be estimated through a same survey system. In the case of Madagascar, there are four possible cases out of which will be selected one which best meets the needs of the Malagasy economy.

²¹ MinAgri : Mini

Case # 1

The previous model can be used, i.e. a heavy baseline survey will be carried out in 2001 and 2 light priority surveys at regular time intervals. In association with these surveys, a community survey with variable themes, a price survey on one hand and a participatory survey on the other hand will be carried out to measure the impacts of targeted actions (besides the governmental economic policy) or specific actions taken by the Government to alleviate, protect or reduce the vulnerability status of a region, a group of persons or a group. It should be noted that though the current objective of the DPRS is to fight and reduce poverty in Madagascar, there will be no steady and sustainable growth if the poor do not benefit from the government actions and do not take in the growth process. However, an economic policy targeting only the poor can lead to a lack of motivation among the rich. Therefore, the economic policy must favor the poor as well as the rich, keeping in mind that the two together make up the Malagasy population.

The problem with this first case is a financial one: the implementation of a new heavy survey requires of the National Statistics Institute to acquire new vehicles and new computer and computer-related materials. Furthermore, 2001 and 2002 do not seem to be the right years for such a heavy survey: there will be the presidential elections and a survey can never be carried out during elections because not only it endangers the life of surveyors but may also introduce bias in data collected. If this survey had to be carried out, the solution would be to work on short period of time and to take after the results of the 1993 survey particularly as there is no assurance that the accuracy gained with the new survey will compensate its high cost.

The second problem is to find the best way to actualize the minimal poverty main indicators between surveys.

Case # 2

The same survey system as in the first case is considered but instead of using a survey system with new samples, one should use a representative panel only at the national level or a representative panel at the national and regional level in order to meet in part the eventual needs of the autonomous province process started in the country. For instance, for each region, there will be a panel of at least 500 households or more if the first baseline data allows for the determination of typical households. Indeed, a panel of 3,000 households must be considered for the 6 regions. This means that the starting sample must have at least 4,500 households except if the typical households can be identified. Besides the cost issue, this case also raises the issues of data representativeness at the regional level, population and activity moves and political changes.

Case # 3

Based on the results of 3 permanent household surveys (1993, 1997, and 1999), there will be an attempt to define in principle the characteristics of poor households for each Faritany. This definition is applied in real context in this way: in close cooperation with the National Statistics Institute, make an administrative census of households which meet the criteria defined in principle. Organize a participatory survey or a poll for these households in order to have an accurate idea of which targeting actions should be carried out to make up a the baseline. Determine the frequency of the participatory method according to the targeting programs pace, and re-orient current or future actions accordingly. In practice, this approach

is hard to implement in Madagascar: since 75% of the population is poor, it would be difficult to make a census of them all and to design a special targeting program, there would be a global targeting program instead. However, if the definition is narrowed and the method is changed, there will be very little possibility to use this case in Madagascar.

Case # 4

Using the results of the three permanent household surveys, would it be profitable and possible to set up the QUICK survey system as the Bank is doing in other African or developing countries?

3° Which case for Madagascar?

Taking into account the different cases (objectives, advantages and constraints), the best one for Madagascar is to implement a survey similar to the 1993, 1997 and 1999 permanent household surveys but in the following way:

- Instead of using a heavy survey type (integral survey), use a heavy survey (on themes and/or sample) using the same model as integral surveys but with regular short time intervals (3 or 4 months) in data collection favoring two aspects: ensure comparison in time by using a same survey period (for the 3 permanent household surveys) and minimize costs related to time, data collection control and implementation since the accuracy obtained will be lower than the time monitoring obtained and the answers to the need of the State and other users. Community and/or participatory surveys will be associated to these surveys with variable themes. Both priority permanent household surveys will be used to actualize the baseline indicators at the national and regional level.
- The surveys on Employment which are generally done in the big towns of Madagascar (town of Antsirabe and the 6 main towns in the provinces) and in certain cases, the MADIO 123 surveys can be very useful in actualizing minimal monitoring indicators between the different permanent household surveys.
- The MADIO project can carry out the survey on some of the priority themes (Health, Education,...). In the case of some permanent household surveys, some of these themes can be re-used and examined in order to fine tune the monitoring methods.
- Demographic and Health Surveys will be used to zoom on demographic and health issues in Madagascar. The next DHS will probably take place in 2002. If the household survey and the DHS are carried out at the same period, the household surveys should prioritize themes other than health.
- Finally, the Rural Observatories Network (RON) which are most focused on regular flashed than representativeness can be used in the following way:
 - clarify some points which were not detailed in the permanent household surveys;
 - extrapolate some RON key points based on permanent household surveys results.

- In order to attain representativeness at a certain aggregate level (fivondronana for instance), use recent census and household survey data to obtain a relatively sharp picture of the households living standard.
- Finally, some of exogenous shocks (a given macro-economic action, effect of exchange rate, ...) will not be directly captured by household surveys. In this case, it will be necessary to resort to the Social Accounting Matrix and therefore to the Calculable General Balance Model.