



## United Nations Public-Private Alliance for Rural Development

### Breakfast with the President of Madagascar 25 September 2003

H.E. Mr. Marc Ravalomanana, President of Madagascar, hosted a breakfast discussion on Thursday 25 September in New York with selected business and UN leaders. The focus was on priorities for Madagascar and work of the recently-created **United Nations Public-Private Alliance for Rural Development**. H.E. Mr. Zina Andrianarivelo-Razafy, Ambassador and Permanent Representative of Madagascar to the UN is the group leader of this new initiative, with support from the UN Department of Economic and Social Affairs. The meeting brought together representatives of business, governments, non-governmental organizations, and entities of the UN system. Participants discussed policies and actions with a “win-win” approach – combining business profitability and broad-based economic and social advancement for the people. It was agreed that great potential exists for new external and internal private investments in Madagascar and for cooperation from the United Nations family of agencies.

The United Nations Under-Secretary-General for Economic and Social Affairs, Mr. José Antonio Ocampo, offered thanks to the President and introduced the subject. He noted that the Alliance had its origin in the Ministerial Declaration of the Economic and Social Council this past July, which included emphasis on new efforts to promote rural and agricultural development in ways that join the interests of business with the concerns of development.

The President said the Alliance should bring a significant benefit to Madagascar through promoting capacity-building, expanded productivity, new technology, preservation of the environment, and other steps for poverty alleviation and rural development. Those at the table were glad to discuss the challenges and to identify actions that could be implemented soon.

Among these, participants agreed that rural roads, water supply and other infrastructure, and support for micro-credit, micro-finance, and micro-enterprise were important and achievable areas for attention. Several speakers also indicated ongoing or planned relevant work by their organizations in Madagascar.

Land O’Lakes, Inc., a large American-based dairy products company, said it was very interested to initiate work aimed at increasing the levels of milk consumption, and in strengthening the capabilities of the dairy industry in Madagascar. The Vice President, International and Dairy Proteins of Land O’Lakes, briefly described the history of his company, which had grown from a small co-operative enterprise of Minnesota farmers to a major national and international concern that continues to see community-based, voluntary cooperative enterprises as an important vehicle for agricultural success. The Land O’Lakes representative said his company would be very interested to take further steps, upon invitation from Madagascar.

The UN High Representative for the Least Development Countries, Landlocked Developing Countries and Small Island Developing States, Ambassador Anwarul Chowdhury, declared that the infrastructure and entrepreneurial elements being discussed are a key to advancement in Madagascar and elsewhere. Resources for Least-Developed Countries will be a main theme at the UN Economic and Social Council next year, in July 2004. He hoped that new work in Madagascar could be highlighted there. The Special Advisor to the Secretary-General on Africa, Professor Ibrahim Gambari, emphasized the relevance of the Alliance to the core principles of the New Partnership for Africa's Development (NEPAD), and voiced his support. The UN Under-Secretary-General for Economic and Social Affairs, Mr. José Antonio Ocampo, stated that the approach and actions of the Alliance were an outgrowth of the recent global conference on financing for development (Monterrey, Mexico), and sustainable development (Johannesburg, South Africa), and were a positive step in contrast to the frustrations experienced at the recent meeting of the World Trade Organization (Cancun, Mexico).

Speakers noted that micro-credit programmes involve creditors or banks lending money to small businesses and individuals so that they in turn can invest money into productive activities. Representatives of Standard and Poor's, the UN Capital Development Fund, the World Bank, Deutsche Bank, and the UNDP all emphasized the importance of such work. They also expressed interest in exploring steps to support such efforts in Madagascar. Representatives of Verizon spoke of the importance and the possibilities for improved telephone and other communication networks at low cost, facilitating access by rural people. The representative of the International Fund for Agricultural Development (IFAD) spoke of the work of her organization for credits to support rural initiatives in Madagascar. She mentioned a recent pre-evaluation mission for a program for promotion of rural revenues. IFAD plans to submit a \$25 million proposal in December for approval by its board.

The representative of FAO spoke of international agreement for the creation of a Global Alliance Against Hunger. She noted that as part of the celebration of World Food Day, 16 October, President Ravalomanana has agreed to establish such an alliance at the national level. The UN Public-Private Alliance for Rural Development could be seen as a related concern with specific goals. She also noted that FAO had recently undertaken a mission to Madagascar with the president of DeLaval, a Swedish dairy products company, to explore possible areas of collaboration in the areas of milk collection and processing and related dairy training.

The representative of the World Bank remarked on Madagascar's recent notable success in improving its trade position, particularly through exports, and that the president has been emphasizing the importance of integrating rural and poor sectors into the market system. He noted that the president has focused on improving the rural transport infrastructure and on promoting land conservation and reform, and that he has implemented courageous tax policies. He mentioned three sectors that have significantly untapped potential – shrimp, non-lumber forest products and small agro-business. He praised Madagascar's recently-completed Poverty Reduction Strategy Paper.

The representative of the International Chamber of Commerce described the value of the joint UNCTAD-ICC investment guides for least developed countries that have been prepared so far. He encouraged that one be prepared for Madagascar.

The representative of Rotary International said his organization of business and professional persons is known for promoting business ethics and for organizing projects on a grass-roots level. Rotary has 15 clubs in Madagascar. The representative pointed out that among Rotary priorities are efforts in the areas of water supply, including village pumps; support for micro-enterprise and micro-credit; promotion of African business partnerships; control of HIV/AIDS, and eradication of polio. Proposals from Rotary clubs in Madagascar would be welcomed for consideration of funding by the Rotary Foundation.

The Deputy Head of the UN Global Compact conveyed that the Secretary General, Mr. Kofi Annan, had issued a letter to major corporations requesting proposals for commercially viable investment in Least Developed Countries. In response, Madagascar was chosen as one of five countries for a focus of investment. Two UN missions have recently been sent to the country for assessments and a workshop is scheduled there for 25 and 26 November. President Ravalomanana commented that the efforts of the Global Compact could be a key element for his country.

The Executive Secretary of the UN Capital Development Fund, which specializes in investing in micro-credit and in governance in Least Developed Countries, said his organization had recently completed an assessment mission on micro-credit possibilities in Madagascar and found the situation quite promising. He felt this could be an important area of work for the Alliance.

The Director of the UN ECOSOC support office focused on steps for action. He urged participants to continue actively in their own work and to assist each other in creating a network for future collaboration. In particular those present should identify collaborative projects with the potential for near-term results. For example, UNCDF and others involved in micro-credit might build a joint effort. Those involved in information and communications technology (ICT) could establish a bridging network. Land O'Lakes and others could collaborate on cooperative enterprise. UNDP and the World Bank might support further efforts in Madagascar that bring government and private sector together. The case of Madagascar should be highlighted in the ECOSOC preparations in the coming months and at the Council next July. It will also be important to aim for reportable results at UNCTAD 13 in June 2004. It would be desirable for the forthcoming General Assembly resolution on partnerships to include specific reference to the UN Public-Private Alliance. Funding for coordination and for activities will be a priority throughout; the Alliance will need to seek innovative government and private sources.

The above possibilities will receive focused attention in the coming months. President Ravalomanana and the invited guests left the breakfast meeting with

enthusiasm for the UN Public-Private Alliance, and for related steps that could be taken to advance the development of Madagascar.