

TECHNICAL ASSISTANCE MATRIX: PRIORITY ACTIONS

Objectives	Priority Actions	Agencies/Existing external support	Timeline
Promote and secure investments	<p>Support the development of a strategy to promote investments, notably FDI, including: (i) operationalization of an investment promotion agency; (ii) development of a clear and simplified Investment Code; (iii) extension of the “One Stop Window” for investment; (iv) alleviation of red tape formalities and establishment of regional desks (export activity centers); (v) improvement of incentive tax measures.</p> <p>Establishment or strengthening of organizations supporting firms through: (i) advisory and technical support, training, information; (ii) monitoring of project elaboration and management and partnership search.</p>	WB, IMF	2003-2005
	<p>Support to judiciary system in order to recover the confidence of investors, banks, and the private sector in general : training of magistrates, of judiciary personnel as a whole (since the National Police), support for anti-corruption.</p>	WB, USAID, FFE	2003-2004
Maintain and Strengthen EPZ performances	Pursuance of the study on reshaping laws governing EPZ		
Facilitate financing of firms namely SMEs	<p>Support the development of the financing system (bank credits) to respond to SME needs including through: (i) the creation of an adapted guarantee fund; (ii) the promotion of the banking sector by strengthening the system and encouraging new bank entries; (iii) an adapted legal framework; (iv) the modernization of services to be intensified and internal payments (computerized entry of ownership); (v) the establishment of a financial institution for the promotion of women entrepreneurship; (vi) the establishment of credits of proximity</p>		
Adopt a transparent and simplified taxation policy	<p>Evaluation of overall situation of tax and customs administration</p> <p>Evaluation of all taxes and of their relevance</p> <p>Setting up of an incentive tax system</p> <p>Dissemination of updated texts and laws</p>	IMF	Immediate
Enhance performance of Customs Administration, notably with respect to its tax collection and trade facilitation functions.	<p>Support for the ongoing study to establish priorities in customs reform and to monitor their implementation. The study is conducted by a team government representatives and the business community, with donor participation.</p>	IMF	
	<p>Support the reform program by integrating customs and the inspection firm (SGS) works involving a risk management system.</p> <p>Capacity building among customs departments (training, information system integrated to that of SGS, and the Ministry of Trade).</p> <p>Public dissemination of the customs performance (revenues, processing timelimits).</p>	IMF	

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	Customs Valuation: (i) support customs administration reform to comply with Customs Valuation practice; (ii) support to development of a Guide on CV for users with interpretive notes to ensure greater transparency; (iii) training of economic operators	To be identified	
Opening further external markets including regional ones.	Training of the public and private sector to improve its knowledge and awareness of the regional and multilateral agreements to which Madagascar subscribed	USAID, EU, FFE	2003-2005
	Strengthening the capacities of the Interministerial Task Force in charge of coordinating trade policy issues; establishment of a coordination and consultation body for civil society, Members of Parliament and the public and private sectors.	USAID	
	Cost-benefit analysis of the Customs Union, EPA and SADC (including customs revenue losses, trade diversion risk, potential trade flows by product type, rules of origin)	WB	
	AGOA: Development of strategy for identifying export opportunities to the USA, analyzing approach fees and related rules, analyzing the logistic and organizational costs (e.g. storage, cold storage system, etc), identifying possible key US marketing networks; and identifying possible financing sources and possible support for local exporting SME	WTO, USAID	2003-2005
	Market access besides AGOA: analysis of tariff barriers and non tariff barriers; assistance to foster compliance with international norms and standards in order to better penetrate these markets; support for the implementation of a national policy on quality.		
	Strengthening of the analytical capacity of Universities and research centers on trade policy related issues.	To be identified	
Promote tourism sector.	Completion of the Tourism Marketing Plan which defines Madagascar marketing positioning (including demand analysis, tourism type, products to be promoted, marketing strategy, role of stakeholders, priority and sequence of investment, nature of required financing).	WB, EU	
	Support in cooperation with tourism groupings, to develop a Tourism Master Plan including a management plan of sites, with zoning, site development, and an overall environmental plan.		
	Strengthening of institutional capacity within the ministry of Tourism		
	Implementation of the open sky policy; privatisation of Air Mad to facilitate better partnership with other airline companies; and facilitation of operators' access to specific financing system		
	Strengthening existing capacities and support for the creation of an information system to enhance the base of statistic information (with creation of a satellite account for tourism)	WTO	
Diversify agricultural production, including export supply	Promote the integration of rural economy to industrial economy through the identification of exporting agro-industrial development poles	To be identified	
	Support to development and promotion of labels for export products such as essential oils, non-lineous products or organic agriculture products	To be identified	

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	Study of possibilities for reconversion to crops other than products which undergo price falls on international markets (promotion of research in FOFIFA)	WB (PSDR)	
	Utilization of certification procedures recognized internationally for biological Agriculture		
	Support for the professionalization of agricultural economic operators (agricultural system restructuring, respect of local and international norms, producers' negotiations capacity, training)	UNDP, USAID, Ffe, Switzerland	
	Strengthening of consultation platforms for each cluster at different geographical levels		
	Development of micro-finance in rural environment, facilitation of access to financing and adjustment of rates according to the risks related to different agricultural activities	To be identified	
Further integrate cotton industry	Privatization of the cotton ginning State-owned Company (HASYMA)	WB	
	Study of integration of cotton industry	To be identified	
	Analysis of supply chain (kind of inputs, processing timelimits, prices, value line)	To be identified	
	Adopt measures ahead of the end of preferences granted in the framework of AGOA (including identifying the optimal supply sources in fabrics and threads, in accordance with the conditions governing the textile industry)	To be identified	
Promote visibility of fishing sector and livestock farming	Development of a fishing policy (overall objectives, operation framework for the sector as a whole, etc..)	To be identified	
	Compliance of control authorities as well as private enterprises with rules including with respect to management structure, independence of official services, resources, staffing and training, legal and coercitive powers, control documents, laboratory services, import control, zoosanitary controls, food security control.	EU	
	Facilitating financing through specific credit lines for required equipment		
	Financial support to SME including exporting ones, to promote their compliance with standards and norms. Support for the acquisition of motorized engines. Support to strengthening SME associations' capacities for better management of resources. Technical support for the evaluation of stock.		

**TECHNICAL ASSISTANCE MATRIX:
ACTIONS IN SUPPORT TO OR IN COMPLEMENTARITY
WITH PRECEDENT ACTIONS**

Objectives	Essential actions in support to or in complementarity with precedent actions	Agencies/Existing external support	Timeline
Redefine the role of the State	Study on the impact of privatization of public enterprises in the following sectors of sugar, cotton, air transportation, telecommunications, energy production, water distribution, and infrastructure managements (including ports).	WB	2004-2005
Enhance business environment and institutional framework	Carry on the efforts to improve the coherence of business related legal and regulatory provisions (notably with respect to taxation, immigration, export, land tenure); accounting for sectoral specificities	USAID	2003-2005
Promote handicraft	Simplification of procedures for the establishment of handicraft enterprises Improving the coordination between different ministerial departments and the private sector Bring support to professional associations.		
Strengthening the external trade information system.	Training of public servants (INSTAT, Customs, Ministry of Trade, and decentralized authorities) and of private sector associations with respect to data collection and market analysis Set up of a network including the product list, the market prices, and of a directory of exporting and importing operators	CCI, UNCTAD	2004-2005
Develop and implement an export promotion strategy	Assessment of the need for the creation of an Export Promotion Center (feasibility study, analysis of its financial sustainability and set up).	CCI, UNCTAD	2004-2005
	Support to set up permanent exhibition showcases of exportable products within Madagascar Houses and Chambers of Commerce; promotion of Malagasy products through the internet; organization of and participation in international economic events; training of Malagasy attaches and advisors abroad	CCI, UNCTAD USAID	2004-2005
Secure the land tenure system in a clear and transparent way	Support for the modernization of land tenure system through training of land tenure administration (to be computerized) and heo implementation of the renovated land tenure systems.	Invitation To intent manifestation under way at Ministry of Agriculture	
Strengthen competitiveness of Malagasy products	Support sectoral programs for compliance with international standards (including through information, support to investment, and training). Strengthening the regulatory framework for competition and consumer protection.	To be identified	
Develop and enhance physical infrastructures	Conduct economic impact studies on infrastructure projects – including multimode transportation -- integrating the needs of private sector and user groups.	To be identified	

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	Support the rehabilitation of railway infrastructures as a whole. Ensure the sustainability of the railway system before its conversion to private operators.	ADB, EU, HIPC, USAID	2003-2008
	Rehabilitation of 16,000 km of national and secondary roads, as well as of rural roads in the six provinces of Madagascar.	WB	2003-2005
	Strengthening of Administration's management capacity and good governance of Infrastructure programs and projects (including Road Maintenance Funds (FER))	To be identified	
Develop the private sector at regional level	Support to sectoral professionalization (cattle breeding, handicraft, artisanal fishing, agriculture products, facilitation of access to agriculturiers and quality plants to Enhance direct community-based support services to improve access to information. Promotion of access to affordable IT centers.		
Strengthen consultation mechanisms between the Administration and the Private Sector	Strengthening consultation bodies including the Support Committee To Enterprise Steering (CAPE)	WB, USAID, UNDP, Governance Programs	
Promote technologies of Information and of Communication (TIC)	Support for the development of a strategy in the area of TIC (including definition of an adapted legal and fiscal framework)	UNDP	
	Tax exemption of TIC material and software for better popularisation		
	Establishment of training institutes to develop required competences (such as The National Computing School)	EU	
Strengthen the transparency, governance and management of mineral resources.	Improve regulations involving marketing of mining products. Simplify stone export procedures by establishing a stone counter and a single desk. Strengthening coordination with other ministries (namely those of the environment, social protection, of decentralization)	WB, USAID, SCAC, South Africa	Short term
	Acceleration of the implementation of governance program in the mineral sector (PRGM) Community-based management and promotion of private mining investment Strengthening of geological infrastructure and updating of geoscientific information	WB, USAID, SCAC, South Africa	Medium term Long term
Promote essential	Facilitation of access to revolving credits.		

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oils	<p>Revision of laws and regulations relative to the exploitation of emerging field products</p> <p>Removal of all charges and rebates on export essential oils (decentralized collectivities, concerned ministries).</p> <p>Technical and financial support for market canvassing and contract finalization</p> <p>Promotion of semi-intensive cultures; support to study trips; improvement of essential oil field definition in national accounts; set up of the sector databases with an update for economic and commercial watch.</p>		