

Madagascar**Reengagement Development Policy Operation****Chair Summary*****December 18, 2014**

The Executive Directors approved a credit for Republic of Madagascar for the Reengagement Development Policy Operation (DPO) in the amount of \$45 million on the terms and conditions set out in the President's Memorandum.

Directors expressed broad support for the World Bank's assistance to the Government's efforts in consolidating the return to constitutionality. They welcomed the tightly-focused pragmatic program on improving the efficiency and transparency of public service delivery as appropriate in a fragile environment. Directors also underscored the importance of creating fiscal space and increasing resources for priority pro-poor spending.

Directors noted that the operation was prepared during a period of transition in engagement frameworks with the country. They encouraged staff to expedite completion reporting for the prior Country Assistance Strategy and to accelerate the development of a new Systemic Country Diagnostic and Country Partnership Framework. They emphasized the importance of operations that are based on a clear strategic framework for engagement with a medium- and long-term focus and an emphasis on the drivers of fragility and governance. Directors also noted the importance of close coordination with development partners and the International Monetary Fund.

Directors noted the high political and governance risks associated with the implementation of the reforms supported by the operation, and urged Management to be pragmatic and pro-active. Directors also noted the establishment of an interministerial committee tasked with transparent management and disposal of precious woods stockpile.

* This Summary is not an approved record.