Early Warning System

AFDB-P-MG-KA0-012

Madagascar - Economic Competitiveness Support Programme, Phase III (PACE III)

Madagascar - Economic Competitiveness Support Programme, Phase III (PACE III)

Quick Facts

Countries	Madagascar
Financial Institutions	African Development Bank (AFDB)
Status	Active
Bank Risk Rating	U
Voting Date	2019-11-26
Borrower	Government of Madagascar
Sectors	Industry and Trade, Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	$ 13.75 million

Project Description

According to bank documents, the proposed operation concerns phase three of the Economic Competitiveness Support Programme (PACE III) in Madagascar. PACE is a three-year programme-based operation covering the 2017, 2018 and 2019 financial years. PACE III reforms aim to consolidate the achievements of previous programmes and support Government's efforts to implement the reforms listed in the National Development Plan (NDP) 2015-2019. PACE III will lay emphasis on improving country's competitiveness to attract more public and private investment in job-creating sectors such as agro-industry. Therefore, the programme has two components. The first component: "Strengthen the regulatory and institutional framework for the promotion of public and private investment" will help to create a favourable environment for the promotion of public-private partnerships (PPPs) to develop backbone infrastructure projects. The second ("Improve sector governance to support economic competitiveness") will place emphasis on enhancing energy and transport sector performance. The continuity sought in this Phase III also stems from the programme-based nature of the operation. This approach will help to establish a medium-term dialogue platform with the authorities and improve aid predictability in order to facilitate alignment with the country's development policies. It will provide part of the country's funding needs for the 2019 financial year.

PACE will contribute to creating favourable conditions for robust inclusive economic growth by improving economic competitiveness in Madagascar. In this regard, the PACE programme will help to remedy the investment deficit in Madagascar and improve governance in the energy, transport and agro-industry sectors. The programme's expected impact will be to raise the GDP growth rate from 4.2% in 2016 to 5.5% in 2020, and improve Pillar 2 (infrastructure) of the Global Competitiveness Index from 1.9 in 2016 to 2.3 in 2020.

Investment Description

- African Development Bank (AFDB)

Contact Information

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ACCOUNTABILITY MECHANISM OF AfDB

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