

Findings

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Madagascar: Promoting Livestock Production

The main objective of the project was to promote livestock production for domestic consumption and exports through adjustment and investment. The project was designed as a package of policy reforms, supported by an institution-building component and a production development component.

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Impact on the ground

- The Economic Rate of Return for the milk production component is estimated at 19 percent, which is at the high end of the appraisal estimate. The ERR on the extensive cattle component was uncertain, but probably lower than for milk production.
- The Ministry of Livestock shifted out of feed mill operation, fodder production, input supply, breed improvement and veterinary practice.
- Service contracts, introduced after the mid-term review, significantly improved performance.
- A private veterinary profession has been established, and a consultant review confirms that 80 percent are doing an effective job.
- Effective extension programs and support for Farmers' Associations were developed. Eighty-three percent of the appraisal target of 12,000 farmers in Farmers' Associations was achieved.
- Improved varieties of fodder maize, oats and root-crops were adopted.
- Significant progress was made with genetic improvement and Research and Development.

Lessons learned

- Strong government commitment towards divestiture is important where activities are being privatized, but the corollary of that lesson is that sectoral policy adjustment projects should not proceed to appraisal where strong commitment is not evident.
- It is important to have analytically demonstrated complementarity between policy reforms, institutional development, and investments.
- Management and accountability are important, not just for the overall project, but for the individual components. It was weaker in the least successful component.
- Good roads and credit access are particularly important for rural and private sector development. Investment in these areas may be sub-optimal in Bank lending.
- Experience suggests that privatization of services can leave the more remote, and therefore less profitable, areas unserved, at least initially. This can be anticipated at the time of project preparation and appraisal and a strategy should be developed to deal with it that balances efficiency and equity.

This Infobrief is based on information from the Implementation Completion Report No. 19811 of the Livestock Sector project. For more information, please contact either Ousmane Seck : Oseck@worldbank.org or Ridley Nelson : Rnelson@worldbank.org

Persons accessing the Bank's External Website can access information on Livestock by clicking on Topics and Sectors, then Rural Development and Agriculture. World Bank staff can access the necessary information by clicking on Sectors and then on Rural Development and Agriculture.