The evaluation aimed to 1) assess the relevance and performance of the Bank’s strategies and interventions in Madagascar; and 2) identify lessons and areas for improvement.

**Evaluation Findings**

- The Bank’s interventions are relevant to Madagascar’s development challenges and are aligned with the Government’s priorities and with the Bank’s strategies. The two extensions of the 2005–2009 CSP are justified given the context of political crisis. However, the CSP has not sufficiently integrated private sector projects on private sector window; the CSP results framework is weak and the Bank has intervened in too many sectors.

- The Bank has been effective in infrastructure: transport, water and sanitation, agriculture and rural development. It has contributed to an improvement in access to water, roads, technology, health and education. However the Bank has been less successful in governance due to political crisis and fragmentation of resources in many areas.

- In general, effectiveness was weakened by implementation and disbursement delays; the 2009 crisis had a negative impact on the portfolio performance. The Bank has also not invested enough in non-lending analytic work. However there is good dialogue between the Government and the Bank.

- Sustainability is rated moderately satisfactory; institutional mechanisms have been put in place, however sustainability remains a continued challenge given the lack of financial resources for maintenance.

- Integration of cross-cutting themes is rated moderately satisfactory; CSPs include analysis of country challenges and plans in the areas of environment and gender. However, there is no indication of Bank action in CSPs. Only one multinational (Indian Ocean) project was financed over the ten year period; recent good initiatives – a study and a regional strategy – should conduct to more multinational projects.

Bank assistance in Madagascar over the period 2002–2012 is rated moderately satisfactory overall.
Recommendations for the new strategy

- Better integrate the support to the private sector in the CSP, putting emphasis on the synergies of its different dimensions (e.g. business environment, governance, financing).

- Reduce fragmentation of good governance support by: (i) using the CSP to selectively define priorities and (ii) designing targeted institutional strengthening projects and reform programs.

- Strengthen support for infrastructure improvement, especially for sustainability, given the significant shortage in this area.

- Put emphasis at a strategic level on mitigating the risks related to the main sources of fragility for the country so as to strengthen its resilience to political crisis and climatic shocks through analytical work, policy dialogue and focus on reducing the country fragility risk. Put more emphasis on the strategic economic links between Madagascar and the other Indian Ocean islands, by envisaging in the pipeline multinational projects as part of the regional strategy for Indian Ocean islands, and possibly by reviewing the institutional anchoring of the Madagascar Field Office.

Management Response

Management welcomes the outcomes of the Independent Development Evaluation Department (IDEV) evaluation on Bank Group assistance to Madagascar for the 2002–2012 period and its contribution to the country’s development. This evaluation aims to draw relevant lessons to inform the preparation of the next Madagascar Country Strategy Paper (CSP) and improve future operations. Overall, Management agrees with the evaluation outcomes. The evaluation highlights the need to be more selective in the focus areas, conduct more analytical work, better include support to the private sector in the CSP and focus at the strategic level on reducing risk relating to the country’s major fragility factors.