

State Ministry for Presidential Projects, Territory Planning and Equipment

# Infrastructures, a lever for economic development



Presented by: HE Mr Rivo RAKOTOVAO, State Minister



- A strong and stated political will
- Structuring infrastructures
- Harmonious, equitable and sustainable development

### National vision:

- « *Madagascar: a modern and prosperous nation* »

### Presidential commitments:

- Implementation of structuring infrastructures
- Effective decentralization
- Harmonious, equitable and sustainable development

### PND/PMO:

- Infrastructures including an urban component: amongst strategic leading sectors capable of inducing significant spillover effects that propel economic growth



# State Ministry's challenges

- ▶ Development and promotion of Public-Private Partnership
- ▶ Formulation and implementation of the National Housing Policy
- ▶ Formulation and implementation of the National Urban Development Policy and Strategy **(In 2013, 33% of the population is urban and more than 50% in 2030)**
- ▶ Building of appropriate structuring infrastructures throughout the country
- ▶ Land tenure security for investments



# Clear sectoral policies for development

## **PNDIE**

National Policy for Infrastructures and Equipements Development (under preparation)

## **PNAT**

National Policy for Spatial Planning (including **SNAT**, the **12** growth spaces, Orientation Law on Spatial Planning (**LOAT**) and Law on Urban Planning and Housing (**LUH**))

## **NLPP**

New Land Policy Paper and formulation of a new law on lands with specific status to facilitate investments



# Public-Private Partnership (PPP): the ideal funding arrangement for infrastructures

## Legal framework

- ▶ The new Law on PPP, an attractive legislative framework to secure funding process
- ▶ Structuring economic and social infrastructure projects implemented and under preparation such as:
  - ❖ Extension of Ivato and Nosy Be international airports
  - ❖ Construction of highway and expressway
  - ❖ Building of parkings and bus stations
  - ❖ Harbour development and urban structures
- ▶ Formulation of legal framework on Special Economic Zones (SEZ) and implementation of pilot SEZ in **Ehoala** (*USD 940 million investment zone for ilmenite extraction with Rio Tinto-QMM*)

# 12 growth spaces's potentialities



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**3- DIANA and SAVA**  
Tourism and Exports; IG2P's tourism development to boost local development

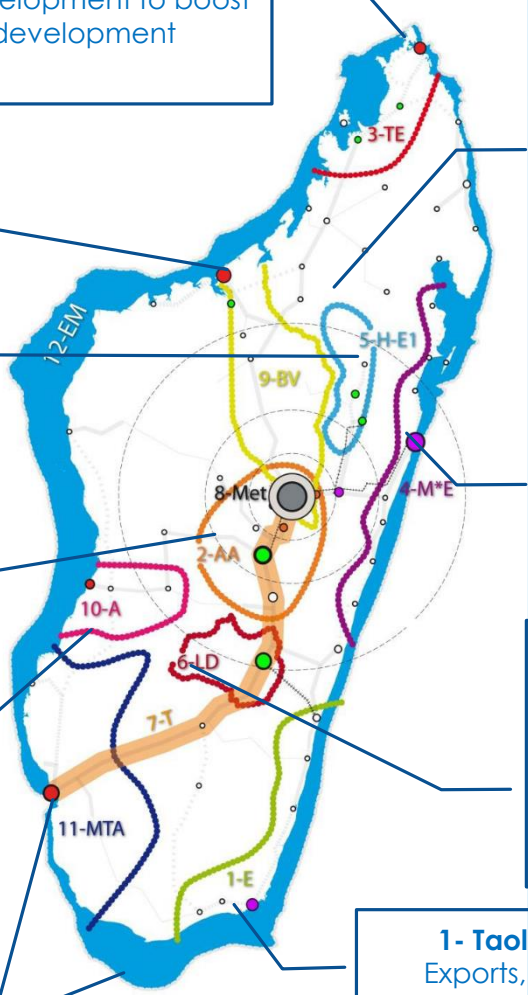
**9-Betsiboka watershed**  
Watershed with half of hydro potential of the country; need of long-term programme to ensure the relationship between Tana and the North West

**5- Alaotra lake**  
Hydroagricultural and livestock potentials; Rice granary, urgency of RN44 and watershed rehabilitations around the lake

**8-Metropolitan city of Tanà**  
Metropolitan function  
Generating almost 30% of GDP

**4- Toamasina**  
Imports and exports, port function, imports of raw materials and exports of cash products (Atsinanana, Analanjirofo, V7V)

**2- Vakinankaratra including Analamanga**  
Food sector; potential to welcome foreign investors on industrial and ICT sectors



**6- Fianarantsoa**  
Local development, finalization of RN7 rehabilitation, need to value physical and human capital

**10- Menabe**  
Agriculture; Rehabilitation of Morondava port, need to connect agropastoral potential of western coast to Antsirabe-Antananarivo pôles, decision to rehabilitate Dabara dam's irrigation system

**11- Atsimo Andrefana**  
Tourism, agriculture and mining, start-up of 2 mining projects (PAM, TSP), rehabilitation of RN9 connecting Toliara city and Morombe, future rehabilitation of Bas Mangoky lowland

**1- Taolagnaro**  
Exports, ilmenite project, deep-water port

**12-Maritime territory**



# Potential investment opportunities

- Road works (highway, 4 lane road, etc.)
- Redevelopment and extension of airports, ports,
- Major hydroagricultural construction and development works
- Development of Tourism and Industrial Zones
- Construction of new cities
- Improvement of housing and urban works
- Improvement of urban mobility and urban sanitation
- ...





## Improvement of urban mobility, development and sanitation in towns (1)

- Rehabilitation of urban roads
- Development and sanitation in towns
- Construction of car parkings
- Building of commercial and leisure centers
- Construction of large markets
- Implementation of fly overs
- ...

### **Concerned cities:**

- Antananarivo
- Toamasina
- Manakara
- And all chief towns of Regions

### **Estimated total amount:**

- **400 million USD**





## Improvement of urban mobility, development and sanitation in towns (2)

- Construction of 4 car parkings, commercial and leisure in Antananarivo (**65** millions USD)
- Construction of large markets in 4 chief towns of Province (**15** millions USD)
- Rehabilitation of Antananarivo and other **171 cities** with a population of more than 10,000 inhabitants (**160** millions USD)
- Public lighting for **130 secondary cities** (**18** millions USD)
- Bevomanga: eradicate flooding issues in Antananarivo (**40** millions USD)
- Development and beautification along Andriantany Canal: improvement of living conditions in the Capital city (2,2 million inhabitants) (**35** millions USD)
- Urban development and sanitation work for Toamasina (**7** million USD)
- Dredging of Pangalanes Canal: smooth flow of goods and services (**60** millions USD)

# Housing and urban development



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- Need of 150,000 social housing per year
- Real estate développement
- Need to set up a Housing Bank

## Concerned cities:

- Madagascar's capital city: Antananarivo
- Town Chiefs of other 21 Regions of Madagascar

## Estimated total amount:

- **2 billion USD** per year

# Opening up of isolated zones with high potentials (1)

## Situation:

With its surface area of 587,295 sq. km, Madagascar has currently only 50,000 km of road network, of which only 6,000 km are asphalted

## Concerned areas:

- Rice granaries
- Zones with high mining and petroleum potentials
- Cash crops cultivation areas
- Port areas

## Estimated total amount:

- **1.275** billion USD



## Opening up of isolated zones with high potentials (2)

- Rehabilitation of RN44 and areas around Alaotra lake, **340 km** – Madagascar's rice granary (**238** millions USD)
- Rehabilitation of RN5a, 175 km - Evacuation of cash crops, Opening up of North East area (**122** millions USD)
- Rehabilitation of road (Tsiroanomandidy/Maintirano) 560 km – Area with high petroleum, mining and livestock potentials (**392** millions USD)
- Rehabilitation of RN13, 396 km - Route d'apaisement pour la Sécurité (**277** millions USD)
- Réhabilitation RN35, 330 km - Zones à fortes potentialités minières, Security calming road (**231** millions USD)
- Rebuilding of Manakara port: Relaunch of port activities in South East region (**10** millions USD)
- Rebuilding of Manakara Be bridge: Restauration of the link between administrative district and downtown – 0.156 km (**5** millions USD)



# Financing scheme and implementation

- Welcoming and facilitating investment
- Public-private co-funding
- Private-private funding (with a local partner)
- Foreign Direct Investment (FDI)
- Win-win partnership contract
- Build Operating Transfer (BOT)
- ...

*Madagascar is a large construction site:*

*financial profitability is expected with beneficial and structuring effects to meet the needs of job creations and improvement of malagasy populations' living conditions*



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**Thanks for your attention**

Ministère d'Etat chargé des Projets Présidentiels, de l'Aménagement du Territoire et de l'Equipement (MEPATE)

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