



MADAGASCAR:

Supporting the development of the small-scale sugar cane industry

CONTEXT

In Madagascar, people living in extreme poverty make up over 2/3 of the population. While agriculture accounts for 1/3 of the country's Gross Domestic Product (GDP), the domestic production remains insufficient which leads to increase the dependence on imports. The agricultural system is fragmented and disorganised and rural entrepreneurs suffer from a lack of technical and managerial competences. Sugar cane, which historically has played a key role in restraining poverty, is still cultivated on the entire island, but for the last years, the sugar cane agro-industry has weakened considerably. Its importation covers today more than half of the country's need. In 2006, the national strategy 'Adaptation of the Sugar Sector' was developed with the European Union support.

assistance capabilities of support institutions. Over 500 small-scale sugar cane producers, processors and other rural entrepreneurs, many of them young people, are expected to benefit from the project thanks to the following outcomes: (i) improved performance of sugar cane producers as a result of adoption of best practices; (ii) introduction of development plans at identified pilote sites; (iii) competitive performance and energy-supply autonomy of pilot processing units; and (iv) raised awareness among the country's business community for attractive investment opportunities in the sugar sector.

MAIN APPROACH

The United Nations Industrial Development Organization's technical assistance project aims to demonstrate that the cultivation of sugar cane can be profitable for small-scale farming and processing enterprises and that Madagascar can make the transition towards self-sufficiency and meet national sugar demand. Based on a holistic approach that follows the principles of value chain development, the project provides technical assistance to small farms to increase their productivity, and promotes the establishment of semi-industrial sugar cane processing units. The involvement of the private sector is also a key factor to achieve a sustainable and competitive sugar sector.

AT A GLANCE

Project title: Supporting the Development of the Small-scale Sugar Cane Industry

Donors: European Union, UNIDO

Budget: EU 2,346,289

Thematic areas: Creating shared prosperity; Safeguarding the environment

Other technical areas: Value chain development

IMPACT/RESULTS

The initial stage of the project has recently been completed with the following results: (i) identification of interventions areas and private beneficiaries; (ii) establishment of sugar cane nurseries in two highly vulnerable regions, Anosy and Boeny; (iii) initiation of training and advisory services to improve the performance of sugar cane producers and the

