

**INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE**

I. Basic Information

Date prepared/updated: 03/19/2008

Report No.: AC3381

1. Basic Project Data

Country: Madagascar	Project ID: P103950	
Project Name: Governance and Institutional Development Project II		
Task Team Leader: Guenter Heidenhof		
Estimated Appraisal Date: March 17, 2008	Estimated Board Date: May 29, 2008	
Managing Unit: AFTPR	Lending Instrument: Technical Assistance Loan	
Sector: General public administration sector (90%); Law and justice (10%)		
Theme: Public expenditure, financial management and procurement (P); Macroeconomic management (S); Tax policy and administration (S); Managing for development results (S); Access to law and justice (S)		
IBRD Amount (US\$m.):	0.00	
IDA Amount (US\$m.):	40.00	
GEF Amount (US\$m.):	0.00	
PCF Amount (US\$m.):	0.00	
Other financing amounts by source:		
<u>BORROWER/RECIPIENT</u>		4.00
		4.00
Environmental Category: C - Not Required		
Simplified Processing	Simple <input type="checkbox"/>	Repeater <input type="checkbox"/>
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

2. Project Objectives

The development objective of the project is to improve the efficiency and transparency of government and selected public services in Madagascar in line with the Madagascar Action Plan (MAP).

3. Project Description

The project (US\$40.0 million) would be implemented over a period of four years and consists of the following six components:

(a) Improvement of Public Expenditure Management (US\$14.0 million: The objective of this component is to continue to support in a holistic manner the reform of the public expenditure management system in Madagascar. The reference point for the reform is the Priority Action Plan (PAP) which is developed by the Ministry of Finance on an annual basis and supported by a number of development partners including the World Bank. The PAP consolidates all reform activities under the oversight of the Ministry of Finance. The implementation progress of this plan is evaluated regularly jointly between the donors and the Ministry of Finance.

Funding under this component will be provided for the further improvement of the budget preparation and execution processes, including the further roll-out of the integrated financial management system (Système Intégrée de Gestion des Finances Publiques, SIGFP) to the regional capitals and the strengthening of the operational efficiency of the relevant control mechanisms. The project will continue to support the procurement reforms initiated in 2004 through comprehensive training and capacity building activities. It will provide assistance to the Government to implement the comprehensive reforms of the revenue agencies (customs and tax directorates).

(b) Strengthening the Efficiency of Government Operations (US\$8.0 million: The objective of this component is to support the change management and institutional development processes in the context of the implementation of the Government's development strategy, the Madagascar Action Plan (MAP). This will include leadership training and development for senior government officials to manage and implement far-reaching reforms. Support will also include an upgrading of local training institutions (Ecole Nationale de l'Administration Malgache, ENAM, Centre National de Formation Administrative, CNFA, Ecole Nationale de la Magistrature et des Greffes, ENMG), as well as the support for the operation of a Global Development Learning Center (GDLN) and of a National Leadership Institute of Madagascar (NLIM). In addition, this component will support cross-cutting reforms and activities which are considered important for the MAP implementation. Such reforms include the strengthening of the monitoring & evaluation system that underpins the MAP, the support for the development of a consistent institutional framework for decentralization, and the reform of the public sector pay and incentive system.

(c) Rule of Law and Fight Against Corruption (US\$2.5 million: The objective of the component is to assist Government in promoting transparency, accountability and good governance; and in particular, in reducing corruption. Project assistance will build on the activities initiated under the first PGDI and mainly focus on improving the operational efficiency of the judiciary, on supporting anti-corruption and conflict-of-interest activities, and on strengthening oversight by the Auditor General and by Parliament over State affairs. This will also include support to establish an Economic Crimes Unit.

(d) Monitoring & evaluation (US\$7.0 million)

The component will support Government's efforts to strengthen the monitoring & evaluation system that underpins the MAP. This support will focus on the improvement of the operational efficiency of the National Statistics Office (INSTAT) and on the modernisation of the procedural and institutional framework for monitoring & evaluation in Madagascar. To establish baseline data and reference points for the improvement of public services the project will support a new population census which aims at consolidating and further deepening existing statistical data which is vital for both public and private sector needs. The last census was conducted in 1993. The total costs for the census are presently estimated at well above US\$20.0 million (or approximately US\$1.40 per inhabitant) and will be funded by contributions from Government and development partners.

(e) Transparency and Social Accountability (US\$4.0 million): The component aims at fostering increased implication of civil society in State affairs and at improving "social accountability" which are key objectives of the MAP. The support will focus on activities that are destined to strengthen civil society's capacity to play a meaningful role in

monitoring and providing feedback on government activities. This will include activities to improve both distribution of and access to information about key activities of the Government. The project will support activities that are aimed at fostering an enabling environment for the involvement of civil society by developing processes that could eventually be replicated for more systemic use, primarily through pilots and discussions. It is also envisaged to set up a grant funding mechanism that would finance innovative governance activities by non-state actors that are related to the objectives of the project. These Social Accountability Grants will pilot, develop and scale up approaches that are focused on supporting civil society to monitor and provide oversight, in particular in key areas such as natural resource management, local service delivery, and public financial management.

(f) Program Coordination (US\$2.5 million): The objective of this component is to support the management and implementation of the PGDI II. This will include assistance to the Ministry of Finance to set up and manage a basket fund for public expenditure management reforms. Additional assistance will focus on the Bureau de Gestion (BdG) of the Reform Program for the Efficiency of the Administration (Programme de Réformes pour l'efficacité de l'Administration, PREA) which was set up by the Government in 2005 to coordinate all governance related activities.

(g) US\$2.0 million of the project proceeds remain unallocated to ensure that the project can respond flexibly to additional demands emerging during the implementation of the reform activities.

4. Project Location and salient physical characteristics relevant to the safeguard analysis

Antananarivo, Fort Dauphin, Antsiranana, Nosy Be, Moramanga

5. Environmental and Social Safeguards Specialists

Mr Warren Waters (AFTQK)

6. Safeguard Policies Triggered	Yes	No
Environmental Assessment (OP/BP 4.01)		X
Natural Habitats (OP/BP 4.04)		X
Forests (OP/BP 4.36)		X
Pest Management (OP 4.09)		X
Physical Cultural Resources (OP/BP 4.11)		X
Indigenous Peoples (OP/BP 4.10)		X
Involuntary Resettlement (OP/BP 4.12)		X
Safety of Dams (OP/BP 4.37)		X
Projects on International Waterways (OP/BP 7.50)		X
Projects in Disputed Areas (OP/BP 7.60)		X

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts: not applicable, no safeguards issues triggered
2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
not applicable
3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
not applicable
4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
not applicable
5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
not applicable

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:

- Was the document disclosed **prior to appraisal?**
- Date of receipt by the Bank
- Date of "in-country" disclosure
- Date of submission to InfoShop
- For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors

Resettlement Action Plan/Framework/Policy Process:

- Was the document disclosed **prior to appraisal?**
- Date of receipt by the Bank
- Date of "in-country" disclosure
- Date of submission to InfoShop

Indigenous Peoples Plan/Planning Framework:

- Was the document disclosed **prior to appraisal?**
- Date of receipt by the Bank
- Date of "in-country" disclosure
- Date of submission to InfoShop

Pest Management Plan:

- Was the document disclosed **prior to appraisal?**
- Date of receipt by the Bank

Date of "in-country" disclosure
Date of submission to InfoShop

*** If the project triggers the Pest Management and/or Physical Cultural Resources, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.**

If in-country disclosure of any of the above documents is not expected, please explain why:
not applicable

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	N/A
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	N/A

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	N/A
Have costs related to safeguard policy measures been included in the project cost?	N/A
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	N/A
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	N/A

D. Approvals

<i>Signed and submitted by:</i>	<i>Name</i>	<i>Date</i>
Task Team Leader:	Mr Guenter Heidenhof	02/12/2008
Environmental Specialist:		
Social Development Specialist	Ms Sarah Keener	02/12/2008
Additional Environmental and/or Social Development Specialist(s):		
<i>Approved by:</i>		
Sector Manager:	Mr Antonius Verheijen	02/12/2008
Comments:		