

**INTEGRATED SAFEGUARDS DATA SHEET  
CONCEPT STAGE**

Report No.: AC3242

**Date ISDS Prepared/Updated: 11/09/2007**

**I. BASIC INFORMATION**

**A. Basic Project Data**

Country: Madagascar	Project ID: P103950
Project Name: Governance and Institutional Development Project II	
Task Team Leader: Guenter Heidenhof	
Estimated Appraisal Date: February 15, 2008	Estimated Board Date: June 20, 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.):	30.00
GEF Amount (US\$m.):	0.00
PCF Amount (US\$m.):	0.00
Other financing amounts by source:	
<u>BORROWER/RECIPIENT</u>	<u>0.00</u>
	0.00

**B. Project Objectives [from section 2 of PCN]**

The PGDI II will be closely linked to the new development strategy of the Government. To emphasize the continuity of the Bank support it is proposed to maintain the same Project Development Objective (PDO) as for the existing PGDI which is ?to improve the efficiency and transparency of government and selected public services in Madagascar in line with the Madagascar Action Plan (MAP)?.

**C. Project Description [from section 3 of PCN]**

The new project will build on the existing support under the PGDI. Its will enhance and further deepen the first generation reforms under the PGDI I in the areas of public finance reforms, the strengthening of capacity and the improvement of public sector service delivery, the reinforcement of the rule of law and the fight against corruption, and the improvement of transparency and social accountability. With an estimated lending amount of US\$30.0 million PGDI II will have the following components:

? A public finance reform component will focus on further improving the budget preparation and execution process with the objective to simplify relevant procedures and institutional arrangements (estimated volume US\$15.0m). It is also anticipated to further strengthen the internal and external control mechanisms to provide adequate oversight. The introduction of the new procurement regulations will be consolidated through targeted support to sector ministries to better institutionalize the new regulations in the day-to-day operations. Finally, the project will provide support to the reform of the revenue agencies, in particular the tax administration to streamline and modernize its operation.

? A second component will focus on increasing the efficiency of government operations (estimated volume US\$10.0m). It will provide assistance to improve the delivery of selected public services (e.g. judiciary services, primary education, health and nutrition service, pension services). It will support public institutions in designing and implementing change processes; in this respect it will continue to provide support for leadership development and change management, capitalizing on the positive experience of PGDI I. The project will also strengthen capacity development in the public sector, in particular in the areas of development planning, public financial management including procurement, and monitoring & evaluation. It will provide assistance to enhance the capacity of local training institutions to deliver in-country training. The project will support institutional development and capacity enhancement at the level of the regions to complement ongoing decentralization reforms. It will scale-up the Bank's support for monitoring & evaluation through targeted assistance to improve the procedural and institutional framework for the implementation of the MAP. This will include support for key statistical surveys.

? A third component will focus on consolidating legal and judicial reforms as well as government activities aimed at reducing fraud and corruption (estimated volume US\$3.0m). This will include support for the introduction of service standards in jurisdictions throughout the country and the simplification of judicial proceedings. The regulatory and institutional framework for the fight against fraud and corruption will be further developed, e.g. by the establishment of a Serious Fraud Office to complement the existing independent Anti-Corruption Bureau. The project will also provide support for the design and implementation of new conflict-of-interest regulations.

? A final component aims at improving transparency and social accountability (estimated volume US\$2.0m). This will include the scaling up of support for participatory monitoring mechanisms which were initiated under the existing PGDI, including capacity building activities to sensitize civil society. The support will be closely linked to existing Bank activities under the mining and the growth-poles projects. In addition, the project will provide assistance to fundamentally reform the regulations governing access to information.

The project will be designed as an investment project which will continue to be implemented by the President's Office. It is anticipated to gradually move towards a sector-wide approach to implement public finance reforms. To this end, a technical assistance fund will be set up under which the public finance reform component would be implemented. The fund which will be initially supported by the World Bank and the European Union will be managed by the Ministry of Finance.

#### **D. Project location (if known)**

Antananarivo, Madagascar

**E. Borrower's Institutional Capacity for Safeguard Policies [from PCN]**

Implementation performance under the existing PGDI confirms the good capacity of the borrower. The implementation arrangements will be same under the new PGDI II

**F. Environmental and Social Safeguards Specialists**

Mr Warren Waters (AFTQK)

**II. SAFEGUARD POLICIES THAT MIGHT APPLY**

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

**Environmental Category:** C - Not Required

**III. SAFEGUARD PREPARATION PLAN**

A. Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared: 01/10/2008

B. For simple projects that will not require a QER, the target date for preparing the PAD-stage ISDS: N/A

C. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS.

n/a

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<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in-country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

#### IV. APPROVALS

<i>Signed and submitted by:</i>		
<b>Task Team Leader:</b>	<b>Mr Guenter Heidenhof</b>	<b>10/30/2007</b>
<i>Approved by:</i>		
<b>Regional Safeguards Coordinator:</b>	<b>Mr Warren Waters</b>	<b>11/06/2007</b>
<b>Comments: No SGP specialist required if project remains as defined in PCN and ISDS. Later, should project involve land acquisition, construction, or potential environmental or social impacts, consult ASPEN</b>		
<b>Sector Manager:</b>	<b>Mr Anand Rajaram</b>	<b>11/05/2007</b>
<b>Comments:</b>		