

INTEGRATED SAFEGUARDS DATA SHEET

CONCEPT STAGE

Report No.: ISDSC1187

Date ISDS Prepared/Updated: 08-May-2015

Date ISDS Approved/Disclosed: 21-May-2015

I. BASIC INFORMATION

A. Basic Project Data

Country:	Madagascar	Project ID:	P151469
Project Name:	Madagascar Agriculture Rural Growth and Land Management Project (P151469)		
Task Team Leader(s):	Jan Joost Nijhoff, Andre Teyssier		
Estimated Appraisal Date:	21-Sep-2015	Estimated Board Date:	17-Dec-2015
Managing Unit:	GFADR	Lending Instrument:	Investment Project Financing
Sector(s):	General agriculture, fishing and forestry sector (70%), Agro-industry, marketing, and trade (30%)		
Theme(s):	Rural services and infrastructure (40%), Land administration and management (30%), Rural policies and institutions (30%)		
Financing (In USD Million)			
Total Project Cost:	40.00	Total Bank Financing:	40.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			40.00
Total			40.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The proposed project development objective is to increase farmer incomes, agricultural productivity, and value addition through the facilitation of linkages between the private sector and rural communities and through improved land tenure security.

C. Project Description

The new Malagasy Government is committed to investing in the agriculture sector and facilitating private sector activity. The proposed project aims to support the Government of Madagascar (GoM) in the implementation of its new development strategies through 5 major components, namely: (1) Investment facilitation and support to local land management (2) Agribusiness value chain support; (3) Irrigation and Watershed Management ; (4) Infrastructure rehabilitation and maintenance; and (5) Project coordination and management.

Component 1 will support the development and scaling up of out-grower and contract farming schemes, and facilitation of other business models by which farmers and agribusiness companies are linked. This support could occur through various schemes such as:

- (i) Training, product aggregation: In most value chains, the development of production, product quality and quantity, and aggregation capacity depends on the existence of well-organized producer groups;
- (ii) Government services: For a number of value chains, the provision of Government services is of critical importance to facilitate trade in perishable and non-perishable commodities.
- (iii) Finance and risk management: Madagascar has a country-wide network of microfinance institutions that may have the potential to stimulate value chain development.

Component 2 will support the existing institutions in charge of the land management at the local (i.e. the local land offices and regional land administration services) and at the central level (national land administration system and land reform Coordination Unit) by developing specific capacity to facilitate inclusive agribusiness investment. It will also facilitate the responsible gathering and flow of agribusiness investments that would encourage and foster community-driven activities. It will include activities such as:

- (i) Community capacity development and developing local-level investor-community protocol: Using the UN Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests, and the Principles for Responsible Agricultural Investments as a basis, the project would aim to develop socially inclusive approaches for private investments in the agricultural sector that will not deprive rural households and communities of their property rights and will allow to connect them to markets and increase their incomes. The project will identify supply and demand for land for agribusiness investment for consideration by communities, and in support of local land use planning. This process would not only identify opportunities for investors and rural communities, but also create the necessary transparency and support to stakeholders in negotiations. In collaboration with local institutions, a local-level investor-community protocol would be developed that includes a consultation and participation process, benefit sharing arrangements, and a grievance redress mechanism. Using the protocol, the project would make a contribution to the planning of Agricultural Investment Areas, a new Government initiative.
- (ii) Support to the Local Land Offices: Starting with communes in the project's agribusiness value chain catchment areas, the aim would be to achieve maximum coverage of secure land and improve the sustainability of local land offices.
- (iii) Linkages to Local Land Use Mapping (PLOF) and local development plans: In targeted project areas and communes, pro-active land use planning would identify potentially valuable land for investment, and identify opportunities for linking farmers, farmer organizations and investors. The key outcomes are new (i) agricultural investment areas that will be negotiated with local populations and will be free of any risk of claims and (ii) a catalog of land offers by municipalities and fokontany, which will be made available to potential investors. It will include two key activities:
 - a. Support to the Regional Land Administration Offices (Cirdoma & Cirtopo): This activity aims at (a) improving the current land information system, in particular the information exchange

between the State land services and the municipal land offices, and (ii) establishing or improving Local Land Use Mapping (PLOFs) aiming the preparation of local development plans, including the delimitation of investment areas.

b. Support to Local Land Use Planning: New investment areas and land available identified by rural communities (see Component 3) will be designed in line with development plans made at the municipal level with the concerned rural communities

(iv) Safeguards implementation capacity development: The project aims to foster a socially and environmentally friendly vision that would ensure that all potential risks and impacts are anticipated and adequately dealt with. Implementation of project activities is likely to raise some concerns on the way social and environmental aspects are complied with. The project will support safeguards capacity building activities for central and local government agencies, private sector, and farmers. A partnership will be established with the Academia, with the development of a center of excellence on social and environmental safeguards, precisely with the University of Madagascar.

Component 3 will support key infrastructure that have the potential of boosting the development of local agribusiness opportunities in the country; precisely:

(i) Feeder roads maintenance: Deficient rural infrastructure is the second largest constraint identified by private sector operators. Rehabilitation and maintenance of specific feeder roads in value chain catchment areas would have the potential to significantly expand the coverage of out-grower and contract farming schemes and would form an important project sub-component.

(ii) Rehabilitation of other infrastructure with unlocking potential: A number of geographical areas can be identified as currently being disconnected from key agribusiness hubs, due to an impassable main road or a bridge that was damaged during a recent natural disaster and since never repaired.

(iii) Development/Rehabilitation of storage facilities: Construction/rehabilitation of professional warehousing would support the development of inventory credit arrangements and a possible warehouse receipt system that would further sustain the agribusiness sector in Madagascar.

Component 4 is a Contingency emergency fund, a disaster recovery contingency fund that could be triggered in the event of a natural disaster through formal declaration of a national or regional state of emergency, or upon a formal request from the Government of Madagascar in the wake of a disaster. In that case, funds from other project components could be reallocated to Component 5 to facilitate rapid financing of a positive list of goods and services related to Components 1, 2, 3 and 4. Eligible activities would include clearing and rehabilitating road and irrigation infrastructure, purchasing construction materials, agricultural inputs, or contribute to pest/plague control (e.g. locust control).

Component 5 will support the establishment, through an innovative and multi-disciplinary implementation approach, a multi-ministry oversight committee to prepare, organize and implement the proposed project activities.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project has a country-wide perspective although it would primarily be implemented in selected areas which are to be confirmed.

E. Borrowers Institutional Capacity for Safeguard Policies

Borrower has a strong and proven experience and expertise to implement World Bank funded operations. Experience gained under the previous and recent agriculture operations such as BVPI (Bassin Versants et Perimetres Irrigues) as well as many others sectoral operations in Madagascar

have given the country in general, key line ministries in particular a fairly good commend on how to adequately deal with safeguards issues. This project will build upon to ensure adequate handling of safeguards issues throughout the project lifecycle.

F. Environmental and Social Safeguards Specialists on the Team

Cheikh A. T. Sagna (GSURR)

Marie Diop (GCFDR)

Paul-Jean Feno (GENDR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project proposed activities in component 2, 3 and 4 may likely lead to some social and environmental impacts that would require the establishment of appropriate mitigation measures to set up the way forward. The next preparation mission will further assess the risks involved and suggest adequate advice on safeguards compliance. Given the low scale size of the potential social and environmental risks and impacts, and the site specific nature of the foreseen project activities, the environmental and social category of the project will be B. Moreover, at this very stage, since the exact locations of these infrastructure investments and activities cannot be determined prior to project appraisal, the Borrower will prepare an Environmental and Social Management Framework (ESMF) that includes an Environmental and Social Management Plan (ESMP). The ESMF/ESMP outlines an environmental and social screening process for future sub-projects to ensure that they are environmentally and socially sound and sustainably implementable. The ESMF report will be publicly disclosed both in – country and at the World Bank Infoshop prior to project appraisal.
Natural Habitats OP/BP 4.04	TBD	Extension of agribusiness services may occur on sensitive areas. The upcoming preparation mission will advise.
Forests OP/BP 4.36	TBD	Likewise, extension of agribusiness services may require the clearing of forest areas. This will be better assessed during next mission.
Pest Management OP 4.09	Yes	Extension of agribusiness services may lead to the extensive use of pesticides to boost agriculture productivity. The extent to which such usage will occur will be further captured during next mission. To ensure safe pest management, the project will

		prepare a Past Management Plan for Sub-projects, building on recent experience. The PMP will be prepared as a separate instrument and publicly disclosed both in-country and at the World Bank Infoshop prior to project appraisal.
Physical Cultural Resources OP/BP 4.11	TBD	Component 2, 3 and 4 may lead to the discovery of new physical cultural resources that would require adequate mitigation measures. The likelihood of such occurrence will be better assessed during the upcoming preparation mission.
Indigenous Peoples OP/BP 4.10	No	There are no Indigenous Peoples in the project area.
Involuntary Resettlement OP/BP 4.12	Yes	The social and environmental category of the proposed project is B due to the low size and site specific nature of its foreseen social and environmental risks and impacts. Project activities in components 2, 3 and 4 may lead to the acquisition of land, loss of assets and/or means of livelihood that could result in the involuntary resettlement of people. Since the exact locations of these infrastructure investments cannot be determined at this very juncture, the Borrower will prepare a Resettlement Policy Framework (RPF) that sets forth the basic principles and procedures that both the Borrower and the World Bank must follow to mitigate any potential adverse social impacts once the physical locations of the proposed activities are known. The RPF report will be publicly disclosed both in-country and at the World Bank Infoshop prior to project appraisal.
Safety of Dams OP/BP 4.37	TBD	Components 2, 3 and 5 activities may lead to the use of existing dams that would require appropriate mitigation measures. The upcoming mission will advise on the likelihood of such need.
Projects on International Waterways OP/BP 7.50	No	The project does not involve international waterways.
Projects in Disputed Areas OP/BP 7.60	No	N/A

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 17-Jun-2015

B. Time frame for launching and completing the safeguard-related studies that may be needed.

The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

The Borrower will likely jumpstart the preparation of the above-mentioned social and environmental safeguards documents, namely ESMF, PMP and RPF by June, 2015. These documents will be submitted for review and approval to the World Bank. Once cleared, the ESMF

¹ 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.

(including its ESMP), PMP and RPF will be publicly disclosed both in-country and at the World Bank Infoshop prior to the project appraisal.

IV. APPROVALS

Task Team Leader(s):	Name: Jan Joost Nijhoff, Andre Teyssier	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Alexandra C. Bezeredi (SA)	Date: 08-May-2015
Practice Manager/ Manager:	Name: Severin L. Kodderitzsch (PMGR)	Date: 21-May-2015

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