

INTEGRATED SAFEGUARDS DATA SHEET

IDENTIFICATION / CONCEPT STAGE

Report No.: ISDSC16639

Date ISDS Prepared/Updated: 17-Mar-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	Madagascar	Project ID:	P158889
Project Name:	Capacity Building Project for Extractive Industries Policy Implementation		
Team Leader(s):	Remi Pelon		
Estimated Date of Approval:	27-May-2016		
Managing Unit:	GEEX1	Lending Instrument:	Lending Instrument
Sector(s):	Public administration- Energy and mining (20%), Oil and gas (40%), Other Mining and Extractive Industries (40%)		
Theme(s):	Tax policy and administration (25%), Other public sector governance (25%), Law reform (25%), State-owned enterprise restructuring and privatization (10%), Other environment and natural resources management (15%)		
Financing (in USD Million)			
Total Project Cost:	1.4	Total Bank Financing:	0
Financing Gap:	0		
Financing Source			Amount
Africa Extractive Industries Trust Fund			1.4
Environment Category:	C - Not Required		

B. Project Development Objective(s)

The Project Development Objective is to improve capacity to develop legal, regulatory, fiscal and institutional frameworks for an effective and transparent management of extractive industries.

C. Project Description

Concept. Since the end of the Transition, the Government has embarked into a significant reform of extractive industries with the aim of both boosting investments and increasing long term benefits. With the Bank-Executed Extractive Industries Technical Assistance (EI-TA) Project (P153564), the World Bank provided assistance during the early stages of the reform. A range of background analysis of legal and fiscal frameworks as well as detailed financing models for both mining and petroleum were delivered to the Government to inform the reform process. As a result, Government decided to take more time to consider the international experience, liaise with local stakeholders and requested further capacity building sessions. At this point in time, both the revised Mining Code and Petroleum Code are much more comprehensive and mature texts expected to be submitted to

Parliament in May/June 2016.

This project is designed as a follow up in two parts contributing to the same objective: one Bank-Executed (BE) part which as a continuation of the EI-TA will provide advice in the form of technical notes and on-the-job training for the government team to inform policy decision making, and one Recipient Executed part (RE) which will provide direct support to the Ministry of Mining and Petroleum to build capacity and provide critical pieces to make the reform enforceable. The present Initiation Note concerns the RE part, whereas, the attached Supplemental Task Description describes the BE part.

Direct beneficiaries are: Ministry of Mines and Petroleum (MPMP) with related institutions (e.g. OMNIS, BCMM), Ministry of Finances and the EITI Multi-Stakeholder Group (MSG). Indirectly, the project will also benefit companies and civil society by strengthening the frameworks for improved management of extractives.

Design. The general structure of this project has been discussed with Government in the course of the previous assistance and organized as follows:

Component A. Legal and Technical Advisory Support for Licensing

Sub-Component A.1. Mining: Advisory Support to the Mining Cadastre.

This activity is expected to include support i) a “clean up” of pending mining titles; ii) improve access to mining titles and geological information (e.g. BCMM and BPRGM websites); and iii) the establishment of transparent procedures for tenders of free-of-rights mining prospects.

Sub-Component A.2. Oil: Advisory Support to Draft Standard Tender Packages and Organize a Bidding Round. This activity is expected to include support i) the drafting of standard tender package and procedures (manual), ii) the organization of a bidding round, including the set-up of a data room and a road show; iii) assistance to the evaluation committee.

Component B. Capacity Building for Sector Management and State Participation

Sub-Component B.1. Mining: Improve Enforcement of Mining Laws and Regulations. This activity is expected to include i) the drafting of regulations, procedures (arretes) and implementation documentation for a sound application of the Mining Code and the Large Scale Mining Law (LGIM); ii) the production of communication materials about sector’s management for key stakeholders like artisanal miners and local government personal.

Sub-Component B.2. Mining: Advisory Support on State Participation. As Government is considering to expand the role of the State in the sector and create a State-Owned Company for all minerals on the basis of the existing (Kraoma) which focuses on chromite, this activity is expected to finance a study on management of state participation in mining ventures.

Sub-Component B.3. Oil: Advisory Support on State Participation. This activity will finance the drafting of Statutes for the National Oil Company with the associated background research.

Component C. Support Extractive Sector Transparency and Stakeholder Engagement

This component will support the Extractive Industry Transparency Initiative (EITI) with a program of dissemination and outreach activities in line with the EITI work plan as well as consultation events

to improve dialog around the management of extractive industries. This could include awareness raising (university debates, radio shows etc.) and capacity building at the central and/or local levels.

Component D. Project Management

This component will finance the incremental costs associated with the implementation of the proposed activities. This will include: (i) a full-time technical focal point in the Project Implementation Unit (PIU); ii) training and contribution to the PIU operational costs; and (iii) the consulting services needed to perform the grant audit.

The detailed fund allocation will be determined during appraisal.

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

The Project will provide only TA and there are no physical investments on the ground. Consultations and dissemination activities will take place in both the capital as well as regions affected by extractive industries, with a broad set of stakeholders, including communities and civil society and community-based organizations and oil/gas and mining companies.

E. Borrower's Institutional Capacity for Safeguard Policies

No safeguard policy is triggered.

F. Environmental and Social Safeguards Specialists on the Team

Paul-Jean Feno (GEN07)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	No	This is a technical assistance project focused on improving capacities for management of extractive industries. There are no physical investments being supported under the project and the grant will not finance technical studies or assessments linked to specific oil and mining projects. Since none of the project activities have any direct impact on the ground and have zero environmental footprint, the category is proposed to be C. Environmental (as well as social) aspects are taken into account in the technical assistance in that consultants hired under the project will be asked to provide legal and/or regulatory advice based on good international practices including on environmental and social aspects.
Natural Habitats OP/BP 4.04	No	This policy is not triggered as project activities are not expected to have any impacts on natural habitats (critical or non-critical).
Forests OP/BP 4.36	No	This policy is not triggered as project activities

		are not expected to have any impacts on the management of forest.
Pest Management OP 4.09	No	This policy is not triggered as the project will not finance the procurement or use of pesticides.
Physical Cultural Resources OP/ BP 4.11	No	This policy is not triggered as project activities are not expected to have any impact on physical cultural resources.
Indigenous Peoples OP/BP 4.10	No	This policy is not triggered given that the proposed TA is not confined to specific geographic areas to be able to identify the presence of IPs and their collective attachment.
Involuntary Resettlement OP/BP 4.12	No	This policy is not triggered given that project activities are not expected to directly cause any physical or economic displacement nor any restriction in access to natural resources.
Safety of Dams OP/BP 4.37	No	This policy is not triggered given the project is not financing any dam construction or rehabilitation nor any activities that rely on the operations of existing dams.
Projects on International Waterways OP/BP 7.50	No	This policy is not triggered given the project is not financing any activities in international waterways as defined by the policy.
Projects in Disputed Areas OP/BP 7.60	No	This policy is not triggered given the project is not financing any activities in disputed areas as defined by the policy.

III. SAFEGUARD PREPARATION PLAN

Appraisal stage ISDS required?: No

IV. APPROVALS

Team Leader(s):	Name: Remi Pelon	
Approved By:		
Safeguards Advisor:	Name: Johanna van Tilburg (SA)	Date: 11-Feb-2016
Practice Manager/ Manager:	Name: Paulo De Sa (PMGR)	Date: 12-Feb-2016

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.