



REPORT NO.: RES57383

DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING

OF

IMPROVING NUTRITION OUTCOMES USING THE MULTIPHASE PROGRAMMATIC APPROACH

APPROVED ON DECEMBER 12, 2017

TO

REPUBLIC OF MADAGASCAR

HEALTH, NUTRITION &amp; POPULATION

EASTERN AND SOUTHERN AFRICA

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## I. BASIC DATA

### Product Information

Project ID P160848	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 12-Dec-2017	Current Closing Date 31-Oct-2023

### Organizations

Borrower REPUBLIC OF MADAGASCAR	Responsible Agency Unité de Coordination des Projets (UCP) - Ministry of Public Health, Unité de Programme National de Nutrition Communautaire (UPNNC)
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### Multiphase Programmatic Approach (MPA) Program Development Objective

The Program Development Objective (PrDO) is to reduce stunting prevalence in children under 2 years of age in targeted regions.

### Multiphase Programmatic Approach (MPA) Status (Public Disclosure)

Status and Key Decisions (Public Disclosure)

**SUMMARY OF MPA OBJECTIVE and PHASING:** This MPA program, which is a longer-term commitment of the World Bank, was approved by the Board on December 12, 2017, and plays an important role in improving nutrition outcomes, particularly in the current context of worsening fragility and food and nutrition insecurity. This program continues to invest in health and nutrition systems and capacity in the face of unexpected challenges related to the COVID-19 pandemic, climate-related shocks, and most recently, the food security crisis related to the war in Ukraine. Indeed, over a 10-year period, through complementary nutrition-sensitive investments, the program is expected to reduce the prevalence of stunting in the target regions by 30% (PrDO). The proposed program has three phases that will be implemented over five, five, and four years respectively. These phases will overlap and each phase will incorporate lessons and experiences from the previous phase(s).

**IMPLEMENTATION PHASE 1 (2018-2023):** The program is making consistent progress toward achieving the PrDO. National stunting prevalence decreased from 42% (2018 Multiple Indicators Cluster Survey- MICS) to



39.8% (2021 Demographic and Health Survey- DHS). Within the project areas that are currently receiving the full package of services, stunting prevalence decreased from 50.7% (2018 MICS) to 48% (2021 DHS). This decrease would suggest positive contributions of the project to reduce stunting. The MPA is on track to achieving its PDO of the first phase – to increase the use of a package of evidence-based reproductive, maternal, and child health and nutrition (RMCHN) interventions and improve key nutritional behaviors known to reduce stunting in target areas. The implementation of this first phase has enabled more than 2,414,832 women and children under five to benefit from health and nutrition services through 4,526 community sites and 1,120 primary health care facilities strengthened with the necessary nutrition and health commodities, equipment, and training. A significant level of disbursements (92% out of a total amount of US\$111.76 million including two additional financings) as of the end of June 2023 attests to the commitment of the country teams to the program. An extension of the Phase 1 project closing date for three months is necessary to ensure that all project funds can be disbursed.

**IMPLEMENTATION PHASE 2 (2022 -2026):** The second phase of this MPA was approved on June 27, 2022, and became effective on August 12, 2022. The first two phases overlap for nearly a year, ensuring that the essential activities of the first phase will continue without interfering with the activities of the second phase, and fully complementing each other. Phase 2 will continue to focus on implementing the core activities of Phase 1 in the same geographic areas, while expanding to four new regions. Adjustments will be made based on lessons learned from implementation to date, including expanding the focus to district-level capacity and coordination; increasing attention to formative supervision of frontline workers to improve the quality of health and nutrition services; rolling out Behavior Change Communication at the community level; and using digital tools to improve monitoring and supervision. Taking advantage of the flexibility of the MPA, Phase 2 was also modulated to increase synergies with other sectors with geographic convergence, particularly agriculture and social protection. Multi-sectoral activity packages, coordinated and complementary with the actions of other stakeholders in these convergence zones, will be determined to further strengthen the achievement of program objectives.

**Original PDO Commitment**

**Project Development Objective (PDO)**

Original PDO

To increase utilization of an evidence-based package of reproductive, maternal and child health and nutrition (RMCHN) interventions and improve key nutrition behaviors known to reduce stunting in targeted regions and to provide immediate and effective response to an eligible crisis or emergency.

**Summary Status of Financing (US\$, Millions)**

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-67020	08-Jun-2020	24-Jun-2020	01-Mar-2021	31-Oct-2023	10.00	8.54	1.32



IDA-D6740	08-Jun-2020	24-Jun-2020	01-Mar-2021	31-Oct-2023	10.00	8.65	1.52
IDA-D2570	12-Dec-2017	14-Dec-2017	13-Apr-2018	31-Oct-2023	80.00	75.66	3.16
TF-B3952	17-Oct-2020	03-Nov-2020	30-Nov-2020	31-Jan-2021	1.70	1.70	0
TF-A6102	12-Dec-2017	14-Dec-2017	13-Apr-2018	31-Oct-2023	10.00	8.87	1.13

**Policy Waiver(s)**

Does this restructuring trigger the need for any policy waiver(s)?

No

**II. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES**

Project Performance

The project’s progress toward achievement of the PDO is currently rated Moderately Satisfactory (MS). According to the results of the latest national Demographic and Health Survey (DHS) 2021, the project has most likely contributed to a reduction in stunting prevalence in the intervention areas currently receiving the full package of services, from 50.7 percent (MICS 2018) to 48 percent (DHS 2021). The achievement of the project objectives is generally on track, 2 out of the 5 PDO indicators have reached their final targets with the remaining three expected to reach the targets by closing (to be confirmed with new data that would be available in September 2023). Overall Implementation Progress is rated MS given some shortcomings due to delays with payments impacting activities (such as availability of drugs, reimbursement of vouchers to health facilities, etc..).

Fiduciary performance. The financial management (FM) performance was downgraded to Moderately Unsatisfactory according to the latest FM assessment due to decreased performance of both nutrition and health project implementation units (PIUs), particularly in terms of planning, accounting and internal control, observed during the implementation support mission conducted in May 2023. A detailed action plan has been agreed with the PIUs and is being closely monitored. On that basis, FM performance is expected to improve. The current audit (which was due on June 30) has been received. Procurement performance remains rated as Moderately Satisfactory.

Environmental and social (E&S) risk management. An assessment of the E&S risks of the project carried out in May 2023 confirmed that the current level of E&S risks remains moderate. The performance of E&S management for the project is moderately satisfactory, and implementation of E&S measures have been satisfactory. Concerning the management of medical waste, 5,223 out of 5,500 (94%) community sites are supplied regularly with a safety box without interruption, and 919 (100%) primary health care facilities are equipped with a kit for the collection and disposal of medical waste (bins, storage bins, gloves, shovels, coveralls, and boots).

Proposed changes and rationale

The objective of the proposed restructuring is to extend the project closing date for 3 months, from July 31, 2023, to October 31, 2023, to allow full disbursement of the funds allocated to the project. A request from the Ministry of Economy and Finances (MEF) for this extension was received on July 25, 2023. This will be the first extension of the



project closing date. Absorption of all project funds will not be possible by the end of July 2023 due to issues with FM and disbursements (especially related to national procedures of budget regularization), despite close follow-up of the World Bank team during last six months. The disbursement rate is 93.5% as of July 21, 2023; of the remaining US\$7.2 million, US\$2.8 million is pending MEF signature for disbursement. All funds are committed and all final deliveries scheduled by the end of September 2023.

### III. DETAILED CHANGES

#### LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-67020	Effective	31-Jul-2023	31-Oct-2023	31-Oct-2023	29-Feb-2024
IDA-D2570	Effective	31-Jul-2023	31-Oct-2023	31-Oct-2023	29-Feb-2024
IDA-D6740	Effective	31-Jul-2023	31-Oct-2023	31-Oct-2023	29-Feb-2024
TF-A6102	Effective	31-Jul-2023	31-Oct-2023	31-Oct-2023	29-Feb-2024
TF-B3952	Closed	31-Jan-2021	24-Sep-2021		