



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 19-Oct-2021 | Report No: PIDA32637

**BASIC INFORMATION****A. Basic Project Data**

Country Madagascar	Project ID P177606	Project Name Support for Resilient Livelihoods in the South of Madagascar AF	Parent Project ID (if any) P171056
Parent Project Name Support for resilient livelihoods in the South of Madagascar	Region AFRICA EAST	Estimated Appraisal Date 30-Sep-2021	Estimated Board Date 22-Nov-2021
Practice Area (Lead) Social Sustainability and Inclusion	Financing Instrument Investment Project Financing	Borrower(s) The Republic of Madagascar	Implementing Agency Ministry of Interior and Decentralization

Proposed Development Objective(s) Parent

The PDO is to improve access to basic infrastructure and livelihood opportunities, and strengthen local governance in southern Madagascar with a primary focus on youth and women.

Proposed Development Objective(s) Additional Financing

The PDO are to improve access to basic infrastructure and livelihood opportunities and strengthen local governance in southern Madagascar with a primary focus on youth and women, and to provide a rapid and effective response to the Food Security Crisis and other eligible emergencies.

Components

Strengthening decentralized local governments, participatory planning and social resilience
Resiliency infrastructure
Supporting Resilient livelihoods
Implementation Support and knowledge learning
Contingent Emergency Response Component

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	50.00
Total Financing	50.00
of which IBRD/IDA	50.00
Financing Gap	0.00



DETAILS

World Bank Group Financing

International Development Association (IDA)	50.00
IDA Grant	50.00

Environmental and Social Risk Classification

Substantial

Other Decisions

1. On September 11 2021, the RVP approved an exemption to Section III paragraph 28 of the Bank Policy Investment Project Financing, with agreement to prepare an Additional Financing (AF) for a project that is yet to complete a year of implementation. The AF triggers Paragraph 12, Section III of the Bank Policy to allow the use of condensed procedures as it addresses a situation of urgent need caused by the ongoing drought-induced food crisis. The Additional Financing also includes a restructuring to reflect changes to the original Project associated with the CERC, namely revision of the Project’s Development Objective (PDO) and the Results Framework to reflect related changes in the scope, baselines and targets of some performance indicators and reallocation of funds across component budgets.

B. Introduction and Context

Country Context

2. **The Southern region is the poorest part of Madagascar.** Comprised of the three administrative regions Anosy, Androy, and Atsimo-Andrefana, Southern Madagascar has the highest concentration of poverty with an estimated 90 percent of the population living below the poverty line. Female-headed households and families with more children are associated with even higher poverty levels.¹ Heavy dependence on low-yield subsistence agriculture, environmental degradation, a fragile social and political context with increasing levels of insecurity, lack of public investment, water scarcity and gender inequality are the main reasons for the persistence of high levels of poverty in these southern regions.
3. **The South is currently experiencing a multi-year, drought-driven food security crisis.** Over the past six years (2015/16-2020/21) southern Madagascar has experienced five below-average rainy seasons. Amid what is being called the worst drought in 40 years, failed rains during October – March have once again resulted in wide-scale crop losses across the region, and another poor harvest that will bring scant relief to populations already living on the brink. The prolonged drought hit at the same time as the Covid-19 pandemic, amplifying downside impacts and aggravating poverty. Covid-19 impacts have disrupted food supply chain operations, reduced urban-to rural

¹ The Deep South, the World Bank Group, 2018.



remittances, and restricted labor migration, altogether further undermining the population's ability to cope. In addition, the supply of food and seeds, necessary for emergency provision and recovery, was disrupted by movement restrictions. Moreover, the treatment of a national health emergency detracted resources away from addressing the situation in the South. These adverse impacts have pushed an estimated 1.4 million more Malagasy into extreme poverty.²

- 4. Food production, stocks and access across Madagascar's southern region have been severely impacted.** For the main 2020-2021 agricultural campaign, food production was estimated to be less than 40 percent of the five-year average across large swaths of the southern region, including in Amboasary, Ampanihy and Ambovombe. Vegetable harvests were particularly affected; on average reduced by more than 80 percent compared to last year. Herd sizes (cattle and small ruminants) are about 40 percent lower than last year; many households have resorted to stress-sales of their livestock to meet their immediate food and other needs. Moreover, seed stocks have been severely depleted. An estimated 70 percent of households in the Androy and Anosy regions have no seeds and other inputs critical to reviving agricultural production, according to the World Food Programme (WFP). Further thwarting coping capacity among households and prospects for a quick recovery, seed supply systems have virtually collapsed across the region.
- 5. Threatening to amplify the ongoing food crisis in the South is the heightened risks of an upsurge of the Madagascar Migratory Locusts (MML).** Barring concerted action to prevent their proliferation and spread, there is currently an acute risk of an upsurge and widespread locust infestation in southern Madagascar. The regions already infested by MML or potentially affected by locust infestations are: Androy, Anosy, Atsimo Andrefana, Ihorombe, Matsiatra Ambony, and Menabe, covering 21 districts. Of these 21 districts, nine have undergone an IPC acute food insecurity analysis; five are in an Emergency and Catastrophe situation (IPC Phases 4 and 5), two are in a Crisis situation (IPC Phase 3) and two are in a Stressed situation (IPC Phase 2). Populations in IPC Phases 2 and 3 could see their food insecurity worsen as a result of, among other factors, the deterioration of the locust situation. In general, the rural population exposed to the locust risk is estimated at 4.25 million people, or 15 percent of the Malagasy population.
- 6. The impacts of the drought are severe and worsening.** The latest IPC update (May 2021) highlighted a food security crisis that was expected to rapidly deteriorate in coming months and extend through early 2022. The IPC suggested that an estimated 1.14 million of the 2.7 million people (42%) living in the region's 10 hardest-hit districts would face acute food insecurity (IPC Phase 3, or worse) during April to September and would need emergency assistance. By December 2021, that number is expected to reach 1.31 million people, or roughly half (48%) of the population. Of this, more than 510,000 people will likely be in Emergency (IPC Phase 4) or worse, while 28,000 people will experience famine conditions (IPC Phase 5); the first such incidence since IPC tracking was launched in Madagascar in 2016. Global acute malnutrition (GAM) rates in the region reached over 20 percent during the first trimester of 2021 while overall wasting almost doubled, from 9.2% in December 2020 to 16.5% in April 2021, with potentially devastating implications for human capital growth in coming decades. Six of 10 districts surveyed are classified as in Nutrition Emergency: in Ampanihy and Ambovombe districts, 27 percent of children are acutely malnourished.
- 7. The crisis has been the catalyst for the Government to initiate a renewed focus on the south.** Following the launch of the National Response Plan and the Flash Appeal, on June 11, the GoM convened the "Colloque Regional pour l'Émergence du Grand Sud de Madagascar," to consult and agree on a comprehensive humanitarian and development strategy for the south. The Colloquium emphasized the need to move beyond humanitarian crisis response to interventions that will more systematically address the drivers of vulnerability in the South and enhance the resilience

² Madagascar Economic Update, Dec. 2020.



and coping capacity of communities. The Colloquium produced the 'Plan Emergence Sud Regions'. A new Flash Appeal was then released in late June 2021 calling for an additional US\$154.6 million for lifesaving and livelihood rehabilitation actions through May 2022. In addition, to mitigate the locust threat GoM and FAO are calling for urgent mobilization of locust surveillance and control measures.³

- 8. The World Bank Group has been quick to assist the GoM's response via a rapid scale up of technical and financial support to the GoM.** Among initiatives since November 2020, the Bank: i) spearheaded a multi-agency effort to assess needs and develop a multi-sector response plan that led to the launch a United Nations (UN) Flash Appeal; and ii) activated two CERCs under existing programs to support drought-affected populations via cash transfers and to safeguard and rehabilitate food production and livelihoods. The CERC-financed (US\$13.3 million) cash transfer assistance program called "Toseke Vonje Aigne" has been providing scaled up emergency income support to 70,000 vulnerable households since January 2021. And in April 2021, the current US\$12.12 million CERC, under the Mionjo Project was activated.
- 9. The CRW ERF was sought via the Local Activation approach.** On 5 May 2021, the CRW ERF Technical Expert Group on Food Security (TEGFS) reviewed the Technical Assessment (TA) as submitted by the CMU and reached the consensus view that the Madagascar TA meets the technical requirements for an eligible food security event under the CRW ERF. Madagascar is technically unable to officially meet the ERF trigger as the total population living in affected districts, particularly in the southern parts of the country, falls short of Rule 1 (20% or 5 million people living in districts categorized as IPC3+). However, the TEGFS review confirmed that Madagascar is facing severe food security crisis risks in the South and that the case is in line with the spirit of the ERF. The extenuating circumstances supporting this view include: i) ground truthing of the crisis conditions by the CMU as part of its recent mission to the South; ii) evidence that the case is being driven by the worst drought in the region since 1991; iii) the severity of the event with 49% (or 1.3 million people) of the total population in affected districts experiencing IPC3+ conditions and significant levels of malnutrition; and iv) confirmed cases of IPC5 (famine conditions) in Betroka— an unprecedented classification for Madagascar.
- 10. The Mionjo Project is well placed to implement the CRW financing as it is currently the only World Bank financed project with a targeted focus solely on the south of Madagascar.** Originally designed to address long-term development constraints in the south under more stable conditions, the CRW financing now provides an opportunity to adjust the parent Project design to address the current drought and food security crisis. Target households and communities, whose coping capacity, assets, access to water, livelihoods and context have been rendered even more vulnerable by the downturn of the past year will be given support. This will enable them to stabilize their situation and be in a better state to benefit from the originally envisaged support for resilient livelihoods. In essence the new design under the AF strengthens a continuum of interventions in the south; immediate relief provided under the

³ The last major locust outbreak in Madagascar, punctuated by a lack of funding and a delayed response, lasted three years (2012-2015) and cost the government and the international community an estimated US\$37 million to treat more than 2.3 million hectares. Estimated maize and rice crop losses in the southwestern regions of Atsimo-Andrefana and Menabefor (during 2012/13 and 2013/14 seasons) were roughly 27.5% to 70% of 5-year average harvest. As for pastures, an estimate indicates that 50% of the rangeland has been attacked in both regions. By the time massive swarms comprising billions of locusts invaded the capital of Antananarivo in August 2014, the locust plague threatened the livelihoods and food security of an estimated 13 million people across the country. Based on the information available at the end of the 2020/21 campaign, historical data and the experience gained in locust control in Madagascar, it is estimated that 400,000 hectares will need to be treated during the upcoming 2021/22 campaign (Sept-May).³



CERC, short and medium-term mitigation measures under the AF, and longer-term solutions addressing the underlying drivers of vulnerability in the south under the original components. In line with this, the implementation arrangement span a sequential approach with direct implementation by UN agencies under the CERC, capacity building and responsibility transfer to sectoral line Ministries for the crisis response under the AF, and longer-term institutional support under the parent project. Throughout all activities in this continuum, there is particular emphasis on progressive ownership of the activities by local government as well as community engagement and participation, as supported under the existing Component 1 of the parent Project. The aim is to enhance local government ability to prepare for and respond to crisis in consultation with communities, while those local government structures and community engagement mechanisms become more established under national standards for decentralization. The original project has sector-specific components, under the oversight of the relevant sector Ministries. These components will be augmented with new sub-components under the AF. The NPMU is already composed of a multi-sectoral team, with the capacity to supervise the activities agreed under the AF. This capacity will be strengthened with additional technical staff and operational resources for coordination of the AF response.

C. Proposed Development Objective(s)

Original PDO

The original PDO were ‘to improve access to basic infrastructure and livelihood opportunities, and strengthen local governance in southern Madagascar with a primary focus on youth and women.’

Current PDO

The revised PDO are ‘to improve access to basic infrastructure and livelihood opportunities and strengthen local governance in southern Madagascar with a primary focus on youth and women, and to provide a rapid and effective response to the Food Security Crisis and other eligible emergencies.’

Key Results

11. Revised Results Framework. Updates to the PDO indicators reflect the activities funded by the CERC under the parent project and new sub-components under the AF (see table 1). Targets associated with the Components of the parent project will be revised to reflect the changes in the new sub-component budget allocations, as per below.

Table 1: Revised Results Framework

New PDO Indicator	Baseline	End target
Number of direct beneficiaries of the drought services		725,450
New intermediate indicators for Component 5		
Number of vulnerable households with food production capacity restored		20,000
Number of upgraded existing water access points		70
Number of persons benefitting from provision of water trucks for drought-affected areas		250,000
New intermediate indicators for new sub-components	Baseline	End target



Sub-component 2C : Water Activities		
Number of upgraded existing water access points		306
Number of newly constructed water access points		10
Number of persons with access to improved water points		102,700
Sub-component 3C: Agriculture activities		
Number of vulnerable households with increased food production increased		20,000
Increase in available food stock at household level		25%
Quantity in kilograms of basic seed produced in a secure station		19,950
Number of hectares protected from locusts		400,000
Sub-component 3D: Environment		
Number of hectares of restored dunes		700
Number of permanent and temporary nurseries		30
Number of hectares under reforestation scheme (fuelwood, water source protection, mangroves, agroforestry and natural forest reforestation)		800
Installation of wind breaks along agricultural lands in kilometers		45
Sub-component 4C: Institutional Support and Capacity building		
Number of districts benefitting from Disaster and Risk Management capacity building workshops		13
Number of rehabilitated and operational Regional centers for Observation and Communications (1 per district in 3 districts)		3

D. Project Description

- 12. The parent project components cover all the three regions of southern Madagascar.** The components (1 through 4) focus on (a) community development and participatory governance; (b) livelihoods and economic resilience support, and (c) addressing structural infrastructure deficits in water and irrigation to build climate resilience against drought, and (d) build institutional capacity.
- 13. Under the AF the project is being restructured to add new crisis response and recovery sub-components under the existing parent Project components (see table 2).** These AF activities will build upon those initiated under the CERC activation under the parent project and will finance, via an integrated, multi-sector approach, a range of activities outlined in the EAP. At the level of households, the aim is to reach those who are food insecure, primarily IPC3 populations that are affected by the drought. They need immediate water and cash assistance as well as the climate resilient means to reengage in their agriculture activities and recover their livelihoods and assets. At the village level, the activities will improve multi-use water sources for domestic and productive use, including improved water and energy efficiency of water supply infrastructure, and will address environmental degradation, restore degraded ecosystems and improve community management of water and other natural resources that are fundamental to supporting productive and resilient livelihoods.



Project Components

Component 1: Strengthening decentralized local governments, participatory planning and social resilience (\$10m)

14. No additional funding will be added to this parent project Component, however the work to strengthen the decentralized territorial collectives and to facilitate community engagement and participation for social resilience remains the backbone of the overall Project. AF activities, as those under the parent Project, will be implemented with the direct involvement of the *Structures Locales de Concertation (SLC) and incorporated into the Plans de Development Local, Inclusif, et Intégré, (PDLII)*, which the Project is working to strengthen in targeted communes. To inform the PDLII and increase community inclusion, participatory community mapping and socioeconomic/vulnerability assessments will be undertaken and will serve as an input for investments under Components 2 and 3. This process will include participatory climate risk assessments. Together, these participatory mapping and assessment exercises will help to define the multiplicity of vulnerabilities faced by people in southern Madagascar, specifically women and youth, and what support would be most appropriate for each population segment. The SLC will continue to be the interface through which wider community members are consulted with to inform the design of all project activities. Agreed standards will be applied both on the local selection and composition of SLC, ensuring the inclusion of women and young people, and the interactive connection between the SLC and wider commune members. Sub-committees of the SLC will be formed and supported to enhance community representation and engagement on specific issues, for example, for climate and disaster risk management and water point sustainability.
15. **Sub-Component 1A: Strengthening the Decentralized Territorial Collectivities (*Collectivités Territoriales Décentralisées-CTD*) on Community-based Planning, and the Delivery of Services (\$5M).** This subcomponent seeks to improve the organizational capacity of SLCs and Local Development Agents (ADLs) to serve as platforms of participatory planning, as dictated by the decentralization policy, and support the prioritization process and implementation of activities of the Project. They will receive a tailored set of complementary capacity building activities in areas such as (i) socio-organizational capacity building including techniques of facilitation and leadership; (ii) inclusive planning and participatory budgeting to ensure that women and youth's needs are prioritized, (iii) project implementation, including aspects of procurement and financial management, (iv) operating procedures on the integration of sensitive climate change planning into community development priorities, (v) monitoring and evaluation including techniques of data collection and knowledge management.
16. **Sub-Component 1B: Strengthening social resilience, citizen engagement, and conflict prevention (\$5M).** As presented in the upcoming RRA for Madagascar, impacts of climate change, severe periods of drought, lack of sustained development, increased youth participation in violent activities, and social norms that enforce inequitable gender outcomes, have created differentiated types of vulnerabilities in the communes which need to be addressed to promote social resilience. Therefore, under this sub-component, the SLCs will work with a Facilitating Partner (FP), a local or international non-governmental organization to mobilize communities and have them participate in various activities which will cover: (i) developing a participatory mapping of vulnerabilities of inhabitants of the communes to support implementation component 2 and 3 of the project-this mapping will also include a mapping of donor financing in the communes and the household recipients of social protection schemes; (ii) identifying a series of social activities that target entire communes or community based groups (CBG) formed around similar traits (youth, women, men, etc.), which will provide mentorship and social empowerment, particularly for those traditionally disenfranchised (e.g. community dialogue around individual expectations and roles; engagement with religious and/or traditional leaders for brainstorming sessions to change social norms which maintain inequitable beliefs and practices on gender, GBV and child marriage; capacity building of influential/ trusted women in each community who



work for the promotion of women's concerns, and especially to provide psychological support for victims of GBV), (iii) leadership programs targeted for women and youth to strengthen their civic participation in local development processes, and (iv) strengthening the local grievance redress mechanism (GRM), including ensuring survivor-centered processes for GBV survivors.

Component 2: Resiliency infrastructure (\$54.2M)

- 17.** This component under the parent project aims to improve access to basic services and infrastructure in the communes of the selected districts. With oversight of the MEAH, the existing sub-component aims to do feasibility assessment and potential rehabilitation of major water pipelines in the south. A new sub-component, 2C, will be added under the AF to give more immediate relief to communities facing water shortages and poor water quality.
- 18. *Sub-Component 2A: Commune Resiliency Grants (\$28.5million).*** This component provides grants ('Commune Resiliency Grants') to improve access to basic services and infrastructure in the communes of the selected districts (with the exception of the urban center of Fort Dauphin). Grants can support communal and/or-inter-communal sub-projects, with communes selecting activities from a menu of options. Investments will be identified, prioritized, implemented, and monitored by the SLCs. All basic services and small infrastructure financed will need to follow the national standards for climate screening adopted by the Government of Madagascar.
- 19. *Sub-Component 2B: Regional water resiliency infrastructure (\$12million).*** The region of Androy particularly suffers from water scarcity, characterized by the absence of water sources of drinking quality at local level and repetitive drought shocks. Therefore, this sub-component will finance technical studies to identify potential pipelines for rehabilitation, and consequently the necessary extension to communities for these pipelines, including necessary feasibility studies, supervision of works activities, and operation and maintenance.
- 20. *Component 2C – Improving access to protected and sustainable multi-use water sources (US\$13.7 million).*** Under the leadership and technical direction of the MEAH, this new sub-component under the AF will fund: the MEAH to undertake a strategic assessment of the status of water points across the south of Madagascar with a view to the prioritization of needs and ongoing management; the MEAH to devise a longer-term approach for the sustainability of water-points; the upgrade of 306 existing water points using water and energy efficiency measures to multi-purpose mini grids (including solar energy for the pumping of water, water storage to avoid water wastage, mini grid with public water fountains, livestock watering troughs, and water access for small farming activities), with energy storage batteries to optimize water production using energy efficient approaches; reinforcement of the 70 water points converted under the CERC re-allocation with energy storage batteries; construction of 10 water points with a solar pumping system and a mini multi-purpose network, with a desalination system; sustainability of the water systems with a communication campaign vis a vis the beneficiaries on the use of the energy-saving technologies and to promote community-based natural resource management, the promotion of water user committees, and delegation of the Operation and Maintenance (O&M) of these upgraded water points to Private Operators.

Component 3: Supporting Resilient livelihoods (\$53.5M)

- 21.** Under the leadership and technical direction of the MAE, this component under the parent project aims to sustain livelihoods and make them more resilient to climatic changes, shocks and stressors through the rehabilitation of irrigation systems and support for collective action on livelihoods. Under the AF, a new sub-component, 3C, will be added to help rehabilitate food production, increase resilience of livelihood systems and increase the coping and adaptive capacity of drought-affected households and address the threat of locusts. A new sub-component, 3D, will



operate under the oversight of the MEDD and will aim to improve the capacity of ecosystems to support productive activities through restoration of degraded landscapes, arresting further degradation and moving towards more sustainable and participatory natural resource management practices that are better able to meet human needs. The proposed activities aim to reduce the adverse effects of climate change and the desertification process and improve the resilience of communities to the impacts of climate change.

- 22. Sub-Component 3A: Support for community-based organizations and local value chains (\$16 million).** This subcomponent will use the principles of the graduation model⁴ to finance existing or new community-based organizations through livelihoods grants, coupled with holistic and targeted technical skills trainings, financial inclusion, and social empowerment. The use of the graduation approach helps address the multitude of barriers that women and youth face for integration in economic activities and will help them ensure sustainability outcomes. The participatory community mapping and socioeconomic/vulnerability assessments conducted under component 1 will serve as an input for this sub-component to help define the multiplicity of vulnerabilities faced by people in southern Madagascar specifically women and youth, and what community-based organizations and support packages would be most appropriate for each population segment.
- 23. Sub-Component 3B: Irrigation schemes for resilient livelihoods (\$10 million).** Given the focus of the regions in the south on agriculture productivity, and given the repetitive climate shocks and drought periods, this sub-component will focus on the rehabilitation of selected small and medium irrigation schemes to support livelihoods opportunities in the targeted districts (from 100 to 2,000 ha).
- 24. Sub-Component 3C – Restoring food production capacity and strengthening food and livelihoods systems resilience (US\$17.5 million).** Under the leadership and technical direction of the MAE, key interventions of this new sub-component under the AF will include: strengthening relevant Government departments and entities to give direct oversight and improved coordination of specialized technical areas under their mandate: mobilizing surveillance and control measures and providing capacity-building support to the national anti-locust campaign agency (IFVM) to counter the emerging MML threat in the South and other transboundary threats such as Fall Armyworm; Cash+ programming, provision of one-time cash transfers bundled with technical packages (drought tolerant seeds, tools, training, including in climate-smart agriculture) to help beneficiary households meet their immediate needs (and mitigate distress sales of livestock and other forms of asset losses), while supporting the recovery and restoration of their productive capacity; and, over the medium-term; support to reconstitute seeds stocks and rehabilitate seeds systems and: catalyze the diversification and enhanced resilience of livelihoods via the promotion of, inter alia, agroforestry, animal husbandry and fish farming, adoption of improved drought-tolerant seeds and other CSA technologies, and strengthening of crop protection and animal health services.
- 25. Sub-Component 3D – Environment. Develop green infrastructure and resilient landscapes (US\$10M).** Under the leadership and technical direction of the MEDD, the implementation of activities under this new subcomponent will reduce the harmful effects of "tiomena" and the advance of dunes in order to protect crop fields and limit the process of desertification. The activities to be implemented include: fixing dunes and slowing desertification through the addition of wind breaks; setting up nurseries to provide adaptive vegetation; reforestation with various objectives (wood energy, protection of water sources, support to local livelihoods); productive agroforestry; and the restoration

⁴ The Graduation Approach is a sequenced and time-bound series of livelihood and social protection interventions designed to push households to move out of food insecurity and extreme poverty into sustainable livelihoods.



of natural forests to reinforce natural ecosystemic functions; conducting awareness raising about climate change, natural resources management techniques and capacity building for the different activities.

Component 4: Implementation Support and knowledge learning (\$20.28M)

26. A new sub-component, 4C, will be added to strengthen Government technical leadership of the crisis response at central and local levels.
27. **Sub-component 4A. Project implementation and geospatial knowledge platform (\$9M).** This component will finance environmental and social impact assessments, project management reporting, administration and logistical support for project implementation including knowledge and learning. Given the novelty of this integrated and phased approach, this component will also support evaluations studies for the project, knowledge and learning for government staff, communes, and civil society representatives to learn from community-based approaches implemented regionally and globally, and a geo-spatial platform for monitoring the activities of the projects (number, type, and geo-location of infrastructure built, type/presence/size of livelihoods activities, etc.). This component will also finance the operational costs of fiscal transfers for FDL and the establishment of an inter-ministerial committee for the strategic guidance of the Project.
28. **Sub-component 4B. Studies and preparatory analysis (\$2.38M).** Given the dire need of large infrastructure in the regions of the big south, including drinking water, roads, irrigation schemes, etc. The sub-component will finance studies, intensive participatory consultations, planning, feasibility and design of proposed large-scale infrastructure identified on the regional level that will support resilience and improved livelihoods of communities to face future shocks. The studies could include sectoral agriculture studies to support economic opportunities developed by the project, and the exploration of deep freshwater resource in the coastal area in order to identify water supply opportunities for communities not benefiting from the pipelines.
29. **Sub-component 4C. Institutional Support and Capacity Building for the crisis response (US\$8.8M).** To be implemented by the NPMU in coordination with key stakeholders. The intention is to equip the National Office of Risk and Disaster Management (BNRGC) with resources and capacity to effectively lead the national crisis response and to strengthen their communication and engagement with communities for disaster risk preparedness and management. There will also be institutional support to the Regions, Communes and SLC to strengthen their involvement in the response and support to the NPMU to coordinate and supervise the Component activities.

Component 5: Contingency Emergency Response Component (\$12.12M)

30. **Component 5. CERC.** To expedite a response to the crisis, the CERC was activated under the parent Project on 26 April 2021, with a re-allocation of US\$12.12 million from other Project components. With this financing the Project commenced activities with a particular focus on near-term rehabilitation of agriculture production, the recovery of livelihoods and the improvement of water supply services and infrastructure in six districts in two of the three hardest-hit regions in the South; namely Anosy and Androy. In June 2021, the National Project Management Unit (NPMU) signed direct services contracts with two UN Agencies for the implementation of the activities and all the funds are committed. The implementation of activities is underway, with support and oversight from the line ministries (Ministry of Agriculture and Livestock (MinAE) and Ministry of Water, Sanitation and Hygiene (MEAH). The interventions cover Implemented by the Food and Agriculture Organization of the United Nations (FAO) with a budget



of US\$10 million, agriculture activities include: i) restoring food production capacity for 50,000 vulnerable households in the near-term via the distribution of technical kits (seeds, tools) and training; ii) promoting farmer take up of climate smart technologies (i.e., short-season, moisture stress tolerant) varieties and cultivation of nutrient-dense foods for improved food and nutrition security; and iii) mobilization of vaccination campaigns and animal health services to safeguard livestock assets. The water activities consist of upgrading 70 existing water access points and provisioning solar water pumps, public water fountains, livestock watering troughs, and water access for small farming activities and provision of water trucks for drought-affected areas for a total cost of US\$2 million under implementation by the United Nations International Children's Emergency Fund (UNICEF). An additional US\$0.12 million was allocated to the NPMU to supervise the CERC activities. Key lessons emerging from early implementation of the CERC is the need for cross-sectoral coordination to ensure a holistic response within drought-affected communities and the importance of strong linkages between implementing agencies and local government. The NPMU and UN agencies have made a number of joint field visits to the south to consult with local authorities and beneficiaries, to ensure alignment of CERC interventions with local needs and perceptions, and to strengthen coordination.

Table 2: Summary of overall project components and new sub-components

Project Components	Parent project sub-components	New AF sub-components
Component 1: Strengthening decentralized local governments, participatory planning and social resilience	Sub-Component 1A: Strengthening the Decentralized Territorial Collectivities (Collectivités Territoriales Décentralisées-CTD) on Community-based Planning, and the Delivery of Services	None added
	Sub-Component 1B: Strengthening social resilience, citizen engagement, and conflict prevention	
Component 2: Resilient Infrastructure	Sub-Component 2A: Commune Resiliency Grants	Component 2C: Improving access to protected and sustainable multi-use water sources
	Sub-Component 2B: Regional water resiliency infrastructure	
Component 3: Supporting Resilient livelihoods	Sub-Component 3A: Support for community-based organizations and local value chains	Component 3C: Restoring food production capacity and strengthening food and livelihoods systems resilience
	Sub-Component 3B: Irrigation schemes for resilient livelihoods	Component 3D: Environment: Develop green infrastructure and resilient landscapes



Component 4: Implementation Support and knowledge learning	Subcomponent 4A: Project implementation and geospatial knowledge platform	Component 4C: Institutional Support and Capacity Building for the crisis response
	Subcomponent 4B: Studies and preparatory analysis	
Component 5: Contingent Emergency Response	Emergency rehabilitation of agriculture production, recovery of livelihoods and improvement of water supply services and infrastructure	N/A

Legal Operational Policies

Triggered?

Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

E. Implementation

Institutional and Implementation Arrangements

31. Implementation Arrangements for the AF. The NPMU within MID will remain the implementing agency for the Project with overall fiduciary responsibility. The Operational Manual (OM) for the parent Project, approved by the World Bank on December 23, 2020, is in the process of revision and will continue to guide procedures, roles and responsibilities and accountability for overall Project implementation. On triggering the CERC under the Project, the NPMU developed a CERC Operations Manual with specific procurement, financial management, monitoring and evaluation and E&S safeguard arrangements for implementation by UN agencies under this Component, which was approved by the World Bank on April 27, 2021. This CERC OM remains valid for activities under UN implementation and will be incorporated into the overall OM.

32. The relevant sectoral line ministries will provide the technical leadership and supervision for the relevant sub-components. In practice, this means that they have reviewed and agreed the budget for the new AF sub-components



and will henceforth review and agree all subsequent NPMU procurement and fund flow under the sub-component, including the prior review of terms of reference for the contracting of services. The division of roles and responsibilities between the NPMU and line ministries will be outlined in Memorandum of Understanding. Included under each sub-component there are activities and funds, which will, at central and regional level: enable the line Ministry to undertake analytic and feasibility work in support of the sustainability of the AF activities; enable the line Ministries to provide strategic direction for a transition from relief to resilience interventions; build the capacity of Ministries for a sustainable crisis response; enable them to monitor and supervise the implementation of the activities. For activities where specific technical capacity and a quick response is required, the NPMU and line Ministries will consider the use of sub-contractors, including the UN and NGOs.

- 33.** In recognition of the expansion of the sectors under the AF to include environmental activities, two new members will be invited to join the existing Project Steering Committee; a representative from the Ministry of the Environment and Sustainable Development (MEDD) and from the Ministry of Fisheries and the Blue Economy.

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