



Madagascar Agriculture Rural Growth and Land Management Project (P151469)

AFRICA EAST | Madagascar | Agriculture and Food Global Practice |
IBRD/IDA | Investment Project Financing | FY 2016 | Seq No: 13 | ARCHIVED on 28-Jul-2021 | ISR47664 |

Implementing Agencies: Republic of Madagascar, MINISTERE DE L'AGRICULTURE

Key Dates**Key Project Dates**

Bank Approval Date: 22-Mar-2016

Effectiveness Date: 05-Sep-2016

Planned Mid Term Review Date: 22-May-2020

Actual Mid-Term Review Date: 25-May-2020

Original Closing Date: 30-Jun-2021

Revised Closing Date: 31-Dec-2022

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The proposed development objective is to improve rural land tenure security and access to markets of targeted farming households in selected agricultural value chains in the Project Areas, and to provide immediate and effective response to an Eligible Crisis or Emergency.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components Table

Name

Component 1. Agribusiness Value Chain Development:(Cost \$13.49 M)
Component 2. Support to Land Policy and Land Rights Registration:(Cost \$9.90 M)
Component 3. Support to Marketing Infrastructure Development and Maintenance:(Cost \$10.57 M)
Component 4. Project Management and Coordination:(Cost \$6.04 M)
Component 5. Contingency Emergency Response:(Cost \$13.00 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial

Implementation Status and Key Decisions

This desk ISR is being filed on an interim basis to document the initial findings of a virtual mission that as of this filing has yet to be concluded. An updated ISR will be filed to document the mission's final outcomes and recommendations. The team was unable to mobilize a full project supervision mission due to travel and other restrictions related to the COVID-19 crisis. However, the team has benefited from regular and sustained interaction with the PIU throughout the reporting period via virtual project management meetings, ad-hoc technical meetings and via written correspondence.



The original dates of the mission (July 8 to July 17) were extended to accommodate additional consultations with the Government and partners that were deemed necessary following the adoption by the Parliament (Senate and National Assembly) of the Law n° 202 I-0 16 of June 30, 202 (revising law n° 2006-03 of November 24, 2006) outlining the legal regime of untitled private property. This legal regime as conceived introduced significant advances in decentralized land management, guaranteeing legal security on urban and rural land—a critical linchpin of sustainable socio-economic development.

During the mission and in a letter dated 22 July 2021, co-signed by the Ambassadors to the EU, Switzerland, France, the United Kingdom, and the United States of America and addressed to the Prime Minister, the World Bank raised its concerns that: ii) the newly adopted law (n° 2021/016), earlier presented in 2018 as part of technical meetings, has since been significantly amended and absent further consultation; and ii) certain provisions contained in the new law may represent a substantial setback with regard to the 2005 land reform. These include provisions that mandate a period of 15 years of prior occupation as a presumption of ownership and that effectively broaden the jurisdiction of the central land administration. These provisions would appear to undermine the interests of rural households and the decision-making power of decentralized territorial communities.

The World Bank also highlighted its concerns to the Government that the new provisions in the Law stand to undermine the strategic direction and the achievement of objectives across projects that the World Bank and other donors finance in the land sector—all in support of land reform and at the request of the Malagasy government—in addition to progress on new projects currently under discussion.

In a subsequent letter dated 26 July 2021, the World Bank: i) informed the Government of its decision to extend the mission indefinitely until an agreement could be reached on how to resolve the key bottlenecks with regard to Component 2 activities; and ii) requested the Government to outline for the Bank’s review an Action Plan with aim to reconstitute the project’s land component activities and to formalize a commitment on the part of all stakeholders involved in the PLOF and delivery of land certificates on what the project can achieve during the final 17 months of project implementation. A meeting has been scheduled on July 30 during which MATP is expected to present to the Bank the proposed Action Plan. From the Bank’s perspective, acceptance and support to any action plan will be contingent on the quality and scope of the Government’s response to the concerns over the new the new Law as raised by the World Bank, other development partners, and Civil Society.

Approved on 01 March 2016, the CASEF project became effective on 05 September 2016. Overall, project implementation is progressing well, but not absent notable challenges and delays associated with the COVID-19 pandemic and the land reform program as supported under Component 2. The Project’s current commitments are \$66.02 million (62.88%) and it has disbursed \$43.61 million (43.41%) as of 15 July 2021. Despite COVID-related mobility/access restrictions, the mission noted more generally good progress across the project’s support activities to agricultural VCs. Under Component 1, two PDO-level indicators related to the marketed volumes of milk (163%) and cereals for animal feed (137%) have been fully achieved; two other indicators related the share of beneficiaries who are women (89%) and who report an improvement in their market access (88%) are close to being fully achieved. The team is reasonably optimistic that other targets will be achieved by project close in December 2022.

Concerning the project’s support to road infrastructure buildout and rehabilitation, the Call for Proposals for the 8 routes selected for rehabilitation are due to be published by the end of August and the mission noted the commencement of works on the rehabilitation of the 3 bridges along the Ivoloïna-Anosibe Ambodiriana route.

With regard to the Component 2 support to the Government’s land reform initiative, the mission noted persistent bottlenecks that continued to slow progress in meeting the project’s objectives. MATP wishes to maintain the objective agreed in December 2020 of 500,000 certificates on initial funding and 1,500,000 additional certificates supported by the Additional Funding. However, the average production of certificates is 3,600 certificates per month (123,000 certificates delivered in 34 months), far below the number expected at this stage of the project’s implementation.

Taking into account the remaining 17 months before the project’s close date, the production rate would need to to increase to 100,000 certificates per month in order to achieve the 2 million target. Barring radical operational changes and stepped up commitment on the part of all stakeholders, this increase is unrealistic, and a downward revision of targets is recommended and necessary.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	□ Substantial	□ Substantial	□ Substantial
Macroeconomic	□ Moderate	□ Moderate	□ Moderate



Sector Strategies and Policies	□ High	□ High	□ High
Technical Design of Project or Program	□ Substantial	□ Substantial	□ Substantial
Institutional Capacity for Implementation and Sustainability	□ Substantial	□ Substantial	□ Substantial
Fiduciary	□ Substantial	□ Substantial	□ Substantial
Environment and Social	□ Moderate	□ Moderate	□ Substantial
Stakeholders	□ Substantial	□ Substantial	□ Substantial
Other	--	--	--
Overall	□ Substantial	□ Substantial	□ Substantial

Results

PDO Indicators by Objectives / Outcomes

Direct project beneficiaries				
▶ Direct project beneficiaries (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	85,106.00	122,030.00	708,000.00
Date	30-Oct-2015	15-Dec-2020	22-Jul-2021	31-Dec-2022
Comments:	<p>Direct beneficiaries are people or groups who directly derive benefits from an intervention (i.e., children who benefit from an immunization program; families that have a new piped water connection). Please note that this indicator requires supplemental information. Supplemental Value: Female beneficiaries (percentage). Based on the assessment and definition of direct project beneficiaries, specify what proportion of the direct project beneficiaries are female. This indicator is calculated as a percentage.</p> <p>This indicator did not increase as expected (for May 2020) due to the limited number of land certificates delivered (please see comment on indicator on land certificate)</p>			
□ Female beneficiaries (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	40.00	40.00	40.00
▶ Targeted farmers' with perception of improved access to markets (disaggregated by value chain) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	41.00	41.03	60.00
Date	30-Oct-2015	15-Dec-2020	22-Jul-2021	31-Dec-2022
Comments:	Perception index including triggers related to pre-identified market access barriers (ex: time from closer marketing point, number of taxes paid, etc.). Annual targets.			



☐ Targeted farmers' with perception of improved access to markets (disaggregated by value chain) of which female (Percentage, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	40.00	40.00	60.00
Date	30-Oct-2015	15-May-2020	22-Jul-2021	31-Dec-2022

Volume of local agricultural products sourced from the targeted areas by agribusiness companies in s

▶ Dairy value chain (milk) (Liters (Million), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	6.02	7.44	4.56
Date	30-Oct-2015	15-Dec-2020	22-Jul-2021	31-Dec-2022

▶ Horticulture value chains (green beans) (Metric ton, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	740.00	740.00	840.00
Date	30-Oct-2015	15-Dec-2020	22-Jul-2021	31-Dec-2022

▶ Cereals for and animal feed (maize and soya) (Metric ton, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3,274.00	5,642.00	4,100.00
Date	30-Oct-2015	15-Dec-2020	22-Jul-2021	31-Dec-2022

▶ Spices and fruits (Grenadilla, litchi, cinnamon and curcuma) (Metric ton, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1,280.00	1,703.10	3,304.00
Date	30-Oct-2015	15-Dec-2020	22-Jul-2021	31-Dec-2022

Comments: Following the value chain analysis carried out by the TAs and the agreement during the restructuring, the support of the project will be limited to the following value chains: Grenadilla, cinamum and curcuma

▶ Red meat value chain in the South: animal feed (Metric ton, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1,900.00



Date	05-Oct-2020	15-Dec-2020	22-Jul-2021	31-Dec-2022
Comments:	This indicator depends on the launch of the BOVIMA export			
► Red meat value chain in the South: number of animal (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	25,600.00
Date	05-Oct-2020	15-Dec-2020	22-Jul-2021	31-Dec-2022
Comments:	This indicator depends on the launch of the BOVIMA export			

Improve rural land tenure				
► Targeted farmers' with improved perception of land tenure rights being recognized by a public authority (civic engagement indicator, gender indicator) (disaggregated by gender) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	70.00	70.00	80.00
Date	22-Oct-2015	15-Dec-2020	22-Jul-2021	31-Dec-2022
Comments:	Perception index where farmers would give rankings on indicators such as fear of his/her land getting stolen, risk of conflict within the family, trust of rental agreement, etc. Annual targets.			
□ Targeted farmers' with improved perception of land tenure rights being recognized of which female (Percentage, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	40.00	40.00	40.00
Date	30-Oct-2015	15-May-2020	22-Jul-2021	31-Dec-2022
► Land parcels with use or ownership rights recorded as a result of the project (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	137,911.00	175,715.00	2,000,000.00
Date	30-Oct-2015	15-Dec-2020	22-Jul-2021	31-Dec-2022
Comments:				

Overall Comments

Correction made to the number of land parcels with use or ownership rights recorded, from 2,501,200 to a total of 2,000,000, which was agreed to under the Restructuring in December 2020.



Intermediate Results Indicators by Components

Component 1. Agribusiness Value Chain Development				
▶ Targeted farming households reporting larger volumes of agricultural products brought by buyers (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	30.74	30.74	50.00
Date	30-Oct-2015	15-Dec-2020	22-Jul-2021	31-Dec-2022
▶ Client days of training provided (number) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	66,557.00	66,790.00	50,000.00
Date	30-Oct-2015	15-Dec-2020	22-Jul-2021	31-Dec-2022
▶ Targeted farming households reporting hiring additional paid non-family labour (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	49.56	49.56	60.00
Date	30-Oct-2015	15-Dec-2020	22-Jul-2021	31-Dec-2022
▶ Statistical datasets made available to the Ministry (on indications made by the TA contractors) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	15-Feb-2019	15-Dec-2020	22-Jul-2021	31-Dec-2022
Component 2. Support to Land Policy and Land Rights Registration				
▶ Communal land offices that have land certification capacity operational (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	72.00	191.00	141.00	438.00
Date	30-Oct-2015	15-May-2020	22-Jul-2021	31-Dec-2022
Comments:	Communal land offices that have the capacity to deliver at least 10 land certificates per month. Cumulative targets.			




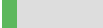
► Land tenure deals with the private sector following the principles for responsible agriculture investments (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	10.00
Date	30-Oct-2015	15-Dec-2020	22-Jul-2021	31-Dec-2022

Component 3. Support to Marketing Infrastructure Development and Maintenance				
► Roads constructed or rehabilitated (Kilometers, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	75.00
Date	30-Oct-2015	15-Dec-2020	22-Jul-2021	31-Dec-2022

Performance-Based Conditions

Data on Financial Performance

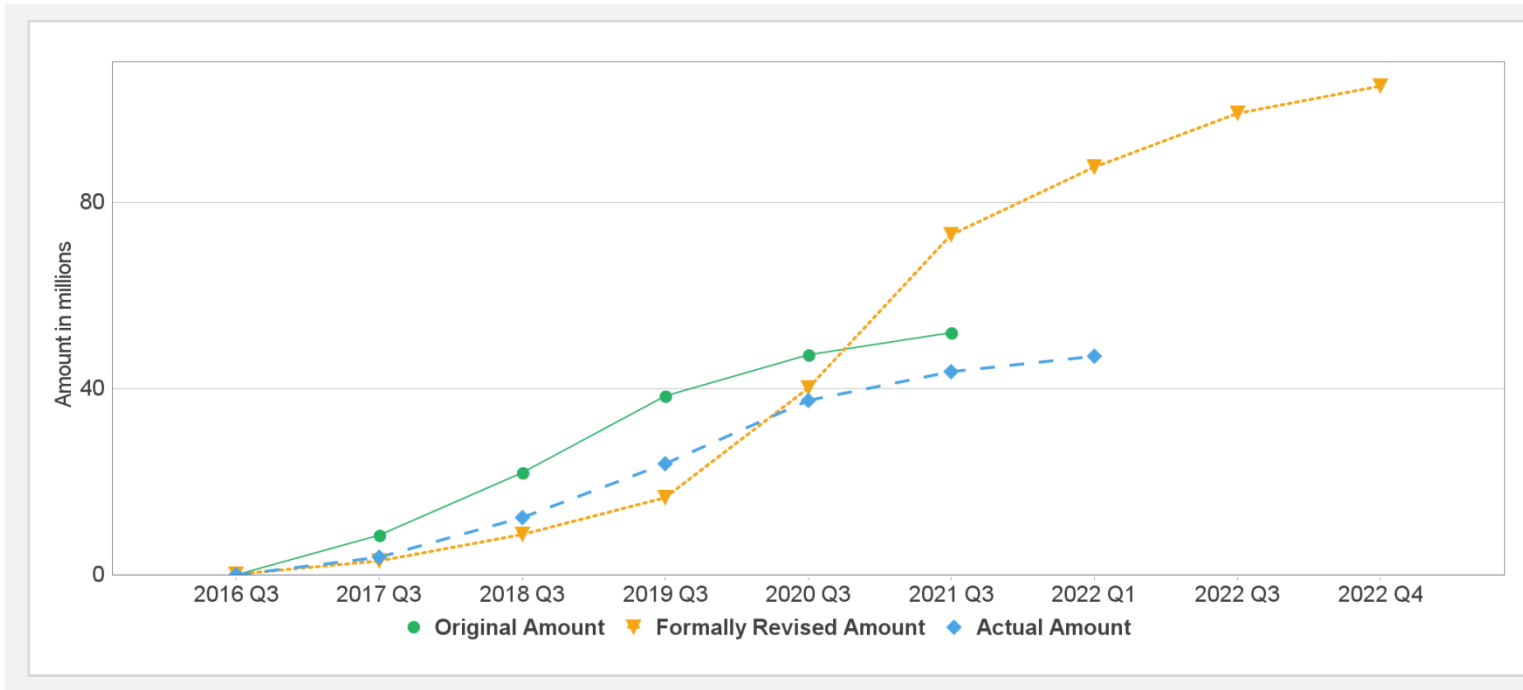
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P151469	IDA-57750	Effective	USD	53.00	53.00	0.00	38.72	15.03	 72%
P151469	IDA-D4320	Effective	USD	52.00	52.00	0.00	8.20	45.40	 15%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P151469	IDA-57750	Effective	22-Mar-2016	08-Apr-2016	05-Sep-2016	30-Jun-2021	31-Dec-2022
P151469	IDA-D4320	Effective	01-Mar-2019	26-Mar-2019	24-Jun-2019	30-Jun-2022	31-Dec-2022

Cumulative Disbursements



PBC Disbursement

PBC ID	PBC Type	Description	Coc	PBC Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for PBC
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Restructuring History

Level 2 Approved on 07-Aug-2017 ,Level 2 Approved on 27-Nov-2020 ,Level Approved on 09-Dec-2020

Related Project(s)

P166133-Madagascar Agriculture Rural Growth and Land Management - Additional Financing