



# Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 04-Jun-2019 | Report No: PIDC27069

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

Country Madagascar	Project ID P171056	Parent Project ID (if any)	Project Name Support for resilient livelihoods in the South of Madagascar (P171056)
Region AFRICA	Estimated Appraisal Date Jan 15, 2020	Estimated Board Date Mar 26, 2020	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice
Financing Instrument Investment Project Financing	Borrower(s) Ministry of the Economy and Finances	Implementing Agency Ministry of Interior and Decentralization	

**Proposed Development Objective(s)**

The proposed project aims to improve basic infrastructure and livelihood opportunities in rural areas in the south of Madagascar through a community-led approach for local development. The project will have a primary focus on youth and women inclusion for improved economic opportunities, with a longer-term vision of supporting local government in fostering meaningful and sustained citizen engagement in the south.

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

<b>Total Project Cost</b>	60.00
<b>Total Financing</b>	60.00
<b>of which IBRD/IDA</b>	60.00
<b>Financing Gap</b>	0.00

**DETAILS****World Bank Group Financing**

International Development Association (IDA)	60.00
IDA Credit	60.00



Environmental and Social Risk Classification

Substantial

Concept Review Decision

Track II-The review did authorize the preparation to continue

## A. Introduction and Context

### Country Context

**1. While Madagascar's growth is at its highest level in ten years and has been progressively gaining momentum, growth trends have not been pro-poor and have not targeted regions of extreme poverty.**<sup>1</sup> It is estimated that close to 78 percent of the population lives below the international poverty line of \$1.90/day.<sup>2</sup> In the last decade, GDP growth has accelerated from 2.3 percent in 2013 to an estimated 5.2 percent in 2018, driven by the trade and technology sectors. However, the benefits of this growth have not trickled down to rural areas where almost 80% of the population (out of the 24.8 million people) lives, and poverty rates are nearly twice as high as in urban areas. Extreme poverty and higher levels of inequality are especially pronounced in the south of the country.<sup>3</sup> Female-headed households and families with more children are associated with higher poverty levels.

**2. The potential for growth to be sustained and inclusive has been constrained by political economy dynamics, the limited decentralization process and concentration of power in the central government.**<sup>4</sup> In Madagascar, the political system is dominated by networks of elites that retain a tight grip on national institutions and decision-making.<sup>5</sup> The popular perception is that decentralization attempts under successive presidents did not move power closer to the people, did not channel development aid to where it is most needed, and further deepened poverty in the country. In the 2018 Afrobarometer survey 47% of respondents identify mismanagement of the public sector and poor service delivery as the main factors of Madagascar's failure to reach its development goals.

**3. Long-standing poverty in the south has been exacerbated by repeated shocks that have led to recurring humanitarian crises.** The South comprises the three regions of Atsimo Andrefana, Androy and Anosy regions, comprising 8 percent of the total population, with a poverty incidence of 91 percent (compared to 77 percent in the rest of the country) and sources of livelihoods limited primarily to subsistence farming and fishing. Chronic underinvestment by the central government in the South has led the region to lag behind the rest of the country on many human and socio-economic indicators. Furthermore, repeated natural shocks, including famine and drought, have put additional stress on subsistence livelihoods and human development, and increased reliance on humanitarian aid. While humanitarian programs have been present for many years, their focus on short-term emergencies has limited impacts on longer-term risk reduction and self-reliance.

**4. Persistent fragility in the south stems from a strained relationship between citizens and the state.** The distrust of the state in many parts of southern Madagascar today is rooted in a complex history of resistance to colonialism, semi-nomadic lifestyles and sedentary agricultural patterns with power structures aligned to communities, clans, lineages and

<sup>1</sup> Madagascar Country Economic Memorandum. World Bank. Concept Note 2018

<sup>2</sup> 2011 PPP, according to the latest data available (2012)

<sup>3</sup> Sulla, Victor. Face of Poverty in Madagascar. Poverty, Gender and Inequality Assessment. World Bank, 2014

<sup>4</sup> Madagascar Country Partnership Framework. World Bank 2017

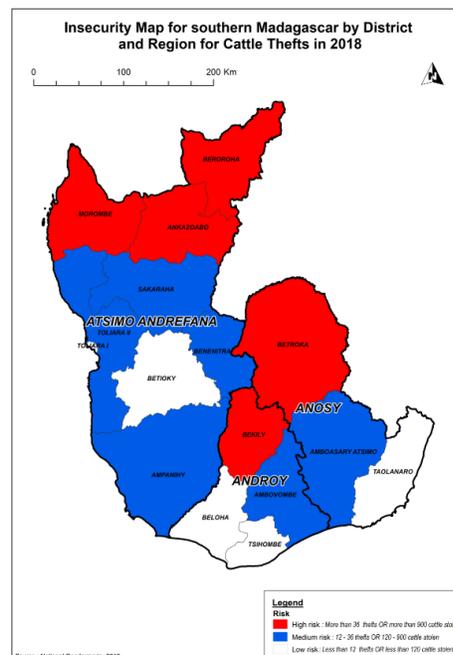
<sup>5</sup> USAID 2015, Madagascar CPF 2017



specific families which often posed constraints to the relationship between citizens and state.<sup>6</sup> Underinvestment in this region and a limited presence of the state (both for administrative and security functions) has led to a lack of infrastructure and services (including road and water networks), leading to limited opportunities for livelihood diversification and widespread food insecurity.<sup>7</sup>

**5. The rising insecurity in the South coupled with limited state presence are exposing women and young men to different types of violence.**

Insecurity in the south has increased significantly in recent years with gangs of *dahalo* (cattle robbers), composed mainly of young men, clashing with local communities and police forces. *Dahalo* has its roots in traditional practices of livestock raiding (to mark the passage of youth from boy to man). Given the persistent poverty and fragility, the traditional practice has shifted to the monetary value of the cattle and became a culture of organized gangs, theft, and violence. *Dahalo* are heavily armed, and operated by powerful and well-connected leaders. The state has launched multiple raids but has not been successful in controlling the ever-increasing syndication of *dahalo* and the strengthening link between the illicit and violent activity of rustling to the profitable and growing market for beef. *Dahalo* terrorize communities, especially women and children and as of late, there have been reporting of women being trafficked and raped by these gangs as well.<sup>8</sup> Recent years have also seen the emergence of a trafficking economy centered around gem stones, gold, and cattle, accompanied by a rise in criminality and insecurity—insecurity map is based on police data for cattle theft as of 2018.



**6. With the peaceful transition of power following national elections in January 2019, the time is opportune to support an enhanced approach to sustainable and inclusive local development in the south of Madagascar.** The south of the country epitomizes how existing social and economic tensions can be accentuated by climate change, combining with a lack of infrastructure and livelihoods to fuel fragility. The new government has demonstrated its support for long-term stability and sustained growth, through the "Madagascar Emergence Initiative" and the current General State Policy (Politique Générale de l'Etat-PGE) which has three main pillars: (i) improvement of basic social services; (ii) strengthening of governance and democracy; and (iii) promoting economic growth. Furthermore, the newly elected president has committed to supporting sustainable development approaches in the south to transition the region from dependence on humanitarian aid to improved resilience. A new roads project focusing on the redevelopment of Route Nationale (RN) 10 and RN 13, and a new 225 km benefitting communes in Anosy and Androy, serves as one of the first commitments by the new government. Complementing these larger investments with community-based programming holds the potential to address drivers of insecurity and foster sustainable and inclusive growth.

Sectoral and Institutional Context

**7. In 2018, the Government of Madagascar with the support of the United Nations Development Program (UNDP) developed an integrated strategy for development for the south (SIDGS- La Stratégie Intégrée de Développement du Grand-Sud) that calls for transitioning from sector-specific and just-in-time humanitarian support, to long term integrated planning with emphasis on supporting the presence of the state to ensure sustainability.** The strategy, which is awaiting approval of cabinet of Ministers in the upcoming months (expected by September 2019), builds on previous

<sup>6</sup> Ibid.

<sup>7</sup> The Deep South, World Bank (2017)

<sup>8</sup> UNFPA, Study on the Gender Based Violence phenomenon during dahalo raids (2017)



strategies of recovery and resilience in the South and advocates for a joint approach centered around big infrastructure essential to connectivity (roads and ports), and small infrastructure that support service delivery (energy and water) for improved productivity, while linking the diversification of livelihoods to these two types of infrastructure investments. SIDGS also promotes the importance of supporting local government capacities to address vulnerabilities of communities especially against climate shocks and rising insecurity.

**8. Socio-cultural factors, including attitudes, beliefs, principles and customs, will be central to development approaches in the south.** The SIDGS and other background papers in the south<sup>9</sup> highlight the pertinence of the peculiarities of the socio-cultural history to support development efforts. The peoples, traditions and lands in the South revolve principally around transhumance, semi-nomadic cultures and sedentary agricultural patterns. There are six major peoples in the south with strong cultural links among the Tandroy, Mahafaly and Karembola peoples in comparison to the others Bara, and Tanosy and Tatsimo. Cultural identities are strong and power structures are aligned to communities, clans, lineages and specific families rather than to the state. During the colonial period, the people of the South were taxed but there were few efforts to develop infrastructure and provide services which is a historical legacy that continues to this day and which was observed during recent consultations conducted during the identification mission of the project.

**9. The proposed project will support core elements of the SIDGS, while building on and reinforcing the strength and resilience of communities.** People in the south have been able to overcome shocks (climate, political, insecurity) due to their robust informal networks.<sup>10</sup> The World Bank is currently conducting a study on “mapping of informal networks in the south” to be finalized in June 2019 to inform the preparation of the project on how to integrate these resilience elements into the design. The analysis builds on global research which highlights that in contexts such as the south of Madagascar where populations are dispersed, and local governance is weak, populations rely on local institutions (both formal and informal) to manage collective responses for adaptation. Often, it is the informal local institutions that are the main vehicle through which external support for risk management and adaptation is delivered.<sup>11</sup> Early results of the analysis show a great reliance in the south on community and traditional networks to face shocks, at the same time, there is a schism between these networks and government bodies at local and national levels. Consequently, this gap is limiting the ability of government programs and some donors as well to fully engage with communities as partners in development. As a matter of fact, historically, the role and power of formal institutions is often confused at the local level and challenged by competing forms of informality including local leaders (ampanjaka), elders (raymendreny), and others which makes for a distinct challenge for coordination on the local level (see Table 1). While communities will accept the legitimacy of formal structures in authorizing a project especially if they are receiving quick wins, though it does not necessarily lead to normalization or buy-in. Maximizing outcomes at the local level will require contextualized strategies for improved engagement, mobilization, and coordination.

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<sup>9</sup> Deep South (2018), unofficial results of two recent studies led by the World Bank on the qualitative assessment of FIAVOTA and the role of informal networks in the South

<sup>10</sup> Madagascar CPF (2017) and results of a recent study led by the World Bank on informal networks in the South of Madagascar led by IRD

<sup>11</sup> *The Human Dimension of Climate Adaptation: The Importance of Local and Institutional Issues*. Commission on Climate Change and Development, 2009 or *The Role of Local Institutions in Adaptation to Climate Change*, Social Development Working Paper No. 118, World Bank, June 2009.



Table 1: Change in Formal Territorial Structures from the second to the fourth republic

Highest Level of Governance	Second Republic	Third Republic			Fourth Republic
		1975-1992	1992-1998 <sup>1</sup>	1998-2007	2007-2010 <sup>3</sup>
	Faritany	Région	Province	Région	Province
	Fivondronampokontany	Département	Région	Commune	Région
	Firaisampokontany	Commune <sup>2</sup>	Commune	Fokontany	Commune
Lowest Level of Governance	Fokontany	Président du Comité Local de Sécurité (PCLS)	Fokontany		Fokontany

<sup>1</sup> Under 26(2) of the 1992 Constitution the name, number, and limits of territorial entities were determined by law. As such there was variation over place and time.

<sup>2</sup> 1994-07 gave communes rights to taxation, role in environmental and forest management, recognition of tribunals, and other powers.

<sup>3</sup> While the constitutional revision of 2007 modified the replacement of the 6 provinces with 22 regions, the change actually took place in September 2004.

*Vulnerabilities in the south region of Madagascar:*

10. **Rising insecurity is a significant constraint to development in the south.** According to national surveys conducted in 2014 (latest data available),<sup>12</sup> communities in Androy, Anosy and Atsimo Andrefana are the most vulnerable to security issues. These regions make up the danger “hot spots” due to the dahalo phenomenon. The survey shows that around 13 percent of households declared having lost goods or livestock due to crime and violence. The average monetary value of the losses was estimated at about Ar. 150,000 per household (around USD\$40). The households that had not yet recovered from the damages were asked about the amount of time it would take to recover from these losses; around eight in ten household’s stated that it would take them at least a year (or that recovery was impossible). While recent data is unavailable, consultations conducted during the identification mission of this project, experiences from other Bank projects currently being implemented in the south, and views of experts on the security situation in the south of Madagascar suggest that dahalo raids have increased in recent years, with the cost of this violence and insecurity falling on some of Madagascar’s poorest communities.

11. **Persistent drought, lack of access to water and basic infrastructure, and limited adaptability of agriculture to climate shocks are constraints to resilient livelihoods.** The low density and dispersed nature of communities in the south, together with the absence of a road network and other connective infrastructure contribute to its continuing isolation (refer to density map in Annex 2), and limit access by communities to basic services and infrastructure (including access to water, healthcare, education and markets) to support their day-to-day lives. Drought is chronic and investments in the maintenance of infrastructure to support water points for drinking and agricultural purposes have not been sufficient to meet needs. The increasingly shorter rainy season and longer dry season have implications for all sectors including livestock and agriculture. Many of the farmers accept that they will have to switch from maize, which requires significant amounts of rainfall, to more climate-appropriate crops such as sorghum, millet and beans. However, there has not been sustained support to farmers for livelihood diversification.

12. **Local development approaches in the south have often been short-term and not clearly distinguished from humanitarian or famine assistance.** In fact, assistance strategies sometimes appear to contradict each other, as when food aid is provided at the same time that exports of crops from the same locality are encouraged. A plethora of donors, UN agencies and non-governmental organizations in the south have supported communities during humanitarian crises, but contributed to a culture where communities are constantly depending on aid.<sup>13</sup> (Refer to donor’s map in the south

<sup>12</sup> Madagascar Millennium Development Goals, National Monitoring Surveys (2014)

<sup>13</sup> Deep South (2018), World Bank; SIGDS (2019)



Annex 2) The international community has assisted the south with aid programs, but these programs have not been accompanied by a sustained strategy for local development or programs to integrate the region with the rest of the country. Furthermore, decades of humanitarian aid and a top down approach to providing services and inputs created a context where people are less empowered and engaged to seek or create new opportunities for economic productivity.

**13. While most programs in the south include a community approach in the design to support engagement and empowerment, implementation of these approaches has been limited, in part due to short project cycles.** Recent consultations conducted in the south with several non-governmental organizations show that community approaches feature prominently in the design of their projects, but that programs are often very short term (e.g. 6-9 months of emergency assistance as opposed to multi-year development programs), limiting the depth of community engagement. Experiences from different projects show that community approaches implemented focus more on mobilization to create awareness about the respective programs coupled with trainings/accompanying measures on literacy, WASH, gender-based violence, disability etc., but offer fewer opportunities for communities to take a leading role in prioritization or management of funds, and equipping them with a sense of ownership over their community infrastructure and livelihood opportunities.

**14. The limited livelihood opportunities in the south put youth and women at higher risks of vulnerabilities. In the Atsimo-Andrefana region, children under 25 account for almost 40% of the population.** In the regions of Androy and Anosy, there is a significant presence of young people in the labor market. Illiteracy is very high in the south among children and adults alike, reaching as high as 65 percent and 60 percent in Androy and Anosy respectively.<sup>14</sup> Child marriage is extremely prevalent as well, and above the already high national average of 41.2 percent: 64.6 percent of women were married before the age of 18, and 12 percent were married before the age of 15 years old.<sup>15</sup> The early pregnancy rate is high as well: 56.7 percentage of women aged 20-24 had a live birth before the age of 18. In recent consultations, young women attributed early marriage and pregnancy to several reasons including a cultural signal of girls' passage to womanhood, as well as lack of educational and productive opportunities.

**15. Despite these vulnerabilities, sources of resilience continue to persist which have allowed communities to survive recurring climatic shocks, absence of basic needs including water and food, weak state presence and rising insecurity.** These include a strong connection by communities to their land and where they come from: lineages have a strong sense of solidarity and include matrilineal bonds and patrilineal links often attached to land. Local conflict resolution mechanisms, such as the Dinah and the Dinabe, have allowed situations of insecurity to be mitigated. Current research commissioned by the World Bank highlights the importance of traditional and informal networks in supporting economic solidarity among households in the south in the absence of a strong and legitimate state. The proposed project will seek to build on and reinforce these sources of resilience while addressing key drivers of fragility in the South.

**16. Sustainable, locally driven and inclusive development in the south will require a gendered approach. Female-headed households and families with many children are associated with higher poverty levels.** On average, women cultivate just over half the acres of land that male heads cultivate, they have three to four times fewer large livestock and only in a minority of cases, own the land they cultivate.<sup>16</sup> Furthermore, Anosy is one of the two regions in the country with highest rates of violence against women and girls, particularly concerning sexual violence (16 percent compared to the national average of 7 percent).<sup>17</sup> The proposed project will address these development challenges to support women's economic empowerment.

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<sup>14</sup> SIGDS 2018

<sup>15</sup> National Survey on the Millennium Development Goals (ENSOMD). 2012-2013. INSTAT Madagascar

<sup>16</sup> Systematic Country Diagnostic, 2015, Madagascar Social Safety Net Project Additional Financing (P167881) Project Paper. 2018. World Bank.

<sup>17</sup> Enquête par Grappes à Indicateurs Multiples (MICS). 2012. UNICEF



Relationship to CPF

17. The project is closely aligned with the objectives of the Country Partnership Framework (CPF) 2017-2021, the Government’s National Development Plan (PND), SIGDS, and PGE. The CPF highlights the south as a priority the region that epitomizes how the impacts of shocks, and limited economic development have fueled fragility and insecurity. Therefore, one of its main objectives is to increase the resilience of the most vulnerable people and to promote inclusive growth, while strengthening national and local institutions to reduce fragility. The PND also focuses on improving governance to support local service delivery and the PGE supports an integrated approach to development that brings together basic services, strengthening institutions, and promotion of economic growth to all of the country.

18. The project will build on ongoing World Bank Group activities and engagement in Madagascar. The project builds on insights gained and outcomes achieved by the WBG through engagement in the governance sector (Public Sector Performance Project I and II), social protection (FIAVOTA), and the private sector (PIC I and II). The project will draw on analytical work prepared by these practices and IFC, in addition to ongoing work by the agriculture and water teams. During project preparation, close collaboration is envisaged with these different teams, especially on issues of insecurity and women and youth economic empowerment.

19. The project is aligned with the World Bank’s Africa strategy to support engagement in fragile and conflict affected context and ensure women’s economic empowerment. The Africa regional update strategy of 2019 aims to accelerate poverty eradication and boost shared prosperity through building resilience to fragility and climate shocks, strengthening human capital through women’s economic empowerment, and building partnerships with local development actors.

C. Proposed Development Objective(s)

20. The proposed project aims to improve basic infrastructure and livelihood opportunities in rural areas in the south of Madagascar through a community-led approach for local development. The project will have a primary focus on youth and women inclusion for improved economic opportunities, with a longer-term vision of supporting local government in fostering meaningful and sustained citizen engagement in the south.

Key Results (From PCN)

21. The project will support a rural development-based approach, and beneficiaries will be all communities that are in a defined rural area. According to preliminary results from the 2018 census,<sup>18</sup> the rural population in the south is estimated at about 2.5 million people (see table 2 for total number population by region).<sup>19</sup> The project will identify and prioritize investments with a specific focus on women, female-headed households, youth, and groups that are disproportionately affected by increased security and climate shocks. The project will have a holistic approach to ensure that all communities in the geographical targeted areas will benefit from its package investments in basic infrastructure, and livelihood opportunities. Also, consultations conducted for this project and ongoing research show that local committees and community-based organizations exist in these communities, and that they regularly meet,

Table 2: Rural population by region in the South

Androy	704,524
Anosy	644,885
Atsimo Adrefane	1,113,562
<b>Total rural population</b>	<b>2,462,971</b>

<sup>18</sup> These are unofficial number by INSTAT following up the census conducted in 2018. Official numbers are expected to be final by end of June 2019

<sup>19</sup> Following 2015-592 decree by the Ministry of Interior and Decentralization for classification of communes as rural and urban



discuss outstanding issues, resolve problems, and jointly devise solutions to their constituents. These committees will also be beneficiaries whose arrangements will be harnessed and reinforced to encourage greater sustainability of the different interventions of the project. The project will also have institutional beneficiaries, including local governments, implementing agency staff, and ministry's personnel.

**22. The following key indicators will be used to track progress toward the PDO:**

- Beneficiaries with access to social and economic services and infrastructure (disaggregated by type of service and target group-disaggregated by gender and age)
- Beneficiaries of economic development activities that report an increase in income (disaggregated by type of service, gender, age, and target group)
- Action plans for local governance coordination (number)

D. Concept Description

23. The project will have specific features to ensure its success which include:

- *Phased approach to allow for adaptive learning:* The project would take a phased approach to implementation, beginning in a smaller geographic area to initiate operations and build implementing capacity before expanding in subsequent years. This will be coupled with annual reviews of the Operations Manual to allow adaptation and optimization of project processes.
- *Integrated design:* The nature of the humanitarian aid in the south has often focused on a one sector and short-term approach implemented by NGOs outside of government systems. In contrast, this project combines a sustained multi-year presence at the community level with a focus on both basic infrastructure and livelihoods while working through government systems, including strengthening local government.
- *Harnessing synergy:* this project recognizes that lessons learned of experiences in the south from other donors, NGOs, and Bank projects are essential to its design and implementation success. This will require close coordination with various stakeholders in the south and close collaboration with World Bank teams including agriculture, water, governance, social protection, and FCI.
- *Women, youth and gender-based violence:* The prioritization of investments that would support women and youth economic empowerment could have negative impacts on the rural communities especially if they change local power dynamics. During the consultations, the team has heard of several stories where women were beaten by their husbands simply because they have received more earnings. For this project, in addition to safeguard instruments recommended by the Good Practice Note<sup>20</sup> to mitigate risks of sexual exploitation and abuse and other forms of gender-based violence, the project will include specific activities and analytics that support gender equality not only in terms of creating employment for women, but also to help them overcome social barriers that exclude them from these jobs.

**Component 1: Community Engagement and local development support. (\$10m)**

*Sub-Component 1A: Strengthening Local Capacity for Community-based Planning and Delivery of Services*

**24. Effective community mobilization will be key to the success of this project and will aim to build the capacity of communities to take ownership of their own local development.** The various consultations conducted in the south highlighted that while community mobilization is clearly a defining feature of many of the donor's activities, its effectiveness is limited by the short project timeframes, which limit resources and time for meaningful community

<sup>20</sup> The Good Practice Note on addressing Gender Based Violence in Investment Project Financing involving Major Civil works (<http://documents.worldbank.org/curated/en/399881538336159607/Addressing-Gender-Based-Violence-in-Investment-Project-Financing-Involving-Major-Civil-Works.pdf>)



engagement. This sub-component will provide to both targeted communities and local governments a tailored set of complementary capacity building activities covering (i) participatory planning of community and local development priorities; (ii) community implementation and monitoring of project activities; (iii) community governance, accountability systems, and mechanisms for conflict resolution, (iv) the roles and responsibilities of local government to facilitate community-led approaches, and (v) community skilling needed for the infrastructure and livelihoods components.

This component will also include targeted activities to mobilize and include youth and women and ensure their active participation in all stages of subprojects cycles. Such activities could include: counseling services to women survivors of GBV; support services to at-risk youth who might be engaged in dahalo activities; community dialogues around gender expectations and roles; engaging with religious and/or traditional leaders to critically reflect and transform gender norms sustaining gender inequitable beliefs and practices, GBV and child marriage; capacity building of influential/ trusted women in each community who work to promote women's concerns, as first responders, including training them in psychological first aid and how to support and link survivors to existing GBV services ; and building capacity in women and youth groups around civic engagement, advocacy, community governance systems including financial literacy and budgeting, project design, implementation and monitoring.

#### *Sub-Component 1B: Enhancing Early Warning and Response Systems*

**25. This sub-component will finance technical assistance, capacity-building and learning activities to implement a community-based Early Warning and Response System (EWRS) focusing on the prevention and resolution of local conflicts on the community level.** The south has a long history of different local mechanisms to mitigate and prevent conflicts such as the *Dinabe*, however the application and robustness of these mechanisms differ from one commune to another. Therefore, through/during the engagement and mobilization in the previous sub-component, the project will assess existing response mechanisms and develop an EWRS to: (i) ensure real-time monitoring, geo-localization and analysis of specific indicators to monitor potential risk on a diverse range of local conflicts; and (ii) support response mechanisms that are adapted to identified risks. This sub-component will target communities and local governments and include capacity enhancement activities for (i) strengthening local systems and capacities for conflict resolution; (ii) supporting the inclusion of conflict prevention issues into the local planning process; (iii) improving targeting of at-risk youth; and (iv) supporting social cohesion activities to foster communities' resilience, for example through the organization of events revitalizing collective memory and identity.

#### **Component 2: Community Resiliency Grants. (\$25m)**

**26. This component provides grants ('Community Resiliency Grants') to improve community access to basic services and infrastructure in a manner that support communities' resilience to climate shocks and drought.** Investments will be identified, prioritized, implemented, and monitored by beneficiary communities that have benefited from activities under component 1, with support from local government and facilitating partners contracted by the project. Potential investments (subprojects) include the construction, upgrading, rehabilitation, and/or expansion of water supplies, school buildings, health centers, or off-grid electrification; and economic infrastructure such as rural roads, market structures, and storage facilities. All these investments will be planned, designed, and implemented in a manner that supports communities' resilience to climate shocks and drought and follow World Bank's guidance on climate adaptation and mitigation cobenefits. These investments will be identified through the community prioritization process under component 1 and will employ local labor during construction, especially for women and youth.

#### **Component 3: Supporting Livelihood Opportunities. (\$20m)**

##### *Sub-Component 3A: Developing Value Chains*

**27. Activities under this component will support increased pro-poor livelihood opportunities in rural communities, by identifying opportunities to enhance market linkages and move up rural value chains, coupled with technical and**



**financial support.** Activities will aim to increase the production and productivity of crops, livestock and fisheries for improved incomes. An in-depth gender sensitive market and value chain analysis<sup>21</sup> will be undertaken during preparation to inform the development of this sub-component, including ensuring the opportunities developed have mitigation plans for communities during climate shocks and severe drought. The analysis will take into account, (i) the geological variation in the south, (ii) persisting drought, (iii) identification and gender analysis of traditional and non-traditional livelihood opportunities, and (iv) impacts of insecurity (including cattle robbing and gem trafficking) on livelihood options. The analysis will inform the community level identification of priority investments in infrastructure that may contribute to local economic development under component 2. The analysis will also carry out an assessment of associated community-based organizations to inform the sub-component below. Where possible and relevant, the analysis should also include the differential roles and responsibilities of adolescent girls and boys.

*Subcomponent 3B: Support for Community-Based Organizations for Livelihoods*

**28. This subcomponent aims to improve the capabilities of producers (farmer, fisherman, pastoral, or agropastoral organizations, including Community-Based Organizations (CBOs)) to improve community-based livelihood opportunities with a specific focus on women-led CBOs.** Such community-based organizations are very common in the south and many of the livelihood programs of other donors work with them. Their activities vary and include savings, financial literacy, and bookkeeping. The technical analysis under sub-component 3A will have a specific focus to assess current CBOs, their capacities, key areas that need strengthening, and support needed when they are faced by climate shocks and drought to ensure their sustainability. In areas of high insecurity by the dahalos, these CBOs will be provided with additional training and support to mediate conflicts, and connect with the different mechanisms of the EWRS under sub-component 1B.

**Component 4: Implementation Support and Knowledge Learning. (\$5m)**

**29. This component will support project management, including monitoring and evaluation, reporting, and 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 activities for knowledge and learning for government staff, communes, and civil society representatives to learn from community-based approaches implemented regionally and globally. Activities will include south-south exchanges, annual multi-stakeholders reviews especially to share experiences and provide guidance for improved decentralization and citizen engagement. This component will also support the establishment of a knowledge platform for adaptive learning to capture lessons learned and incorporate them through the different phases of the project.

Lessons learned

**30. Key experiences on community led-approaches show that in similar environments, e.g. poor remote, and insecure areas with a low level of government presence and/or institutional capacity:**

- *Impacted communities are best suited to identify their needs and priorities, to implement subprojects, and to manage investments.*<sup>22</sup> Communities at the commune level are better able to plan for and effectively implement investment subprojects. Several meta analyses of Community Driven-Development (CDD) programs have shown that communities are capable of effectively managing grants to provide small-scale infrastructure, and that these investments deliver positive effects on material welfare. By transferring decision-making powers and implementation responsibilities to communities, CDD programs are able to lighten the institutional load on governments, and are often able to expand rapidly across large geographic areas. Studies across multiple CDD

<sup>21</sup> The analysis will build on previous value chain analysis conducted in the South and ongoing analytics led by different global practices at the World Bank. A close coordination is expected to with the agriculture, environment (fisheries), and water teams

<sup>22</sup> World Bank. 2013. "Designing Community-Driven Development Operations in Fragile and Conflict-Affected Situations



projects have shown that infrastructure and public works are built at comparatively lower costs than other forms of service delivery, without sacrificing technical quality, with studies from the Philippines, Indonesia, Nepal, Burkina Faso, and Malawi, for example, demonstrating 15 percent to 40 percent lower costs, depending on the type of investments. These savings come primarily through elimination of middle men or contractor overhead, as well as community contributions of labor or materials.<sup>23</sup> However, the process of mobilization and planning must be inclusive and participatory to ensure that all social groups, including women and youth, are involved. A sensitive and tailored engagement process is crucial to ensure that the voices of disadvantaged groups are expressed and to prevent elite capture.

- *A package approach to support livelihood, and infrastructure can potentially deliver resilience at the community level that is necessary for addressing climate change adaptation and increasing disaster risk.*<sup>24</sup> The community-led approach adopted under the project has the potential to provide communities with a broad platform for empowerment and poverty reduction in addition to a diverse range of risk management mechanisms for climate change making use of local knowledge and expertise to operate effectively in insecure environments. In post-conflict Aceh, villages participating in the BRA-KDP CDD program— Community-Based Assistance for Reintegration of Conflict Victims program—experienced declines in poverty of 11 percent compared to villages outside the program, with almost 90 percent of funds in the BRA-KDP program being used for purchasing private goods. Operating during active conflict in Nepal, the Poverty Allevation Fund helped raise average nominal income for extremely poor and marginalized households in project communities by 145 percent.<sup>25</sup>
- *A holistic approach is needed to support women’s economic empowerment.*<sup>26</sup> Women’s participation in the project’s processes are often constrained by social structures and cultural norms which also negatively impact their demand for jobs. Community engagement and mobilization, and multi-stakeholder consultations, in addition to providing women with targeted trainings, and building female leadership are needed to tackle this issue. Project interventions will address the social, economic, infrastructure, and protection needs of women, particularly with regard to sexual- and gender-based and facilitate their participation in income generating activities.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

In line with the World Bank ESF, the environmental and social risk classification (ESRC) is considered to be substantial. The relevant standards that have been identified through the environmental and social risk screening at concept stage are; ESS1: Assessment and Management of Environmental and Social Risks and Impacts; ESS2: Labor and Working Conditions; ESS3: Resource Efficiency and Pollution Prevention and Management; ESS4: Community Health and Safety; ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement; ESS10: Stakeholder Engagement and

<sup>23</sup> Myint, Nikolas and Corey Patterson. November 2018. “Operationalizing the Pathways for Peace Study in Community-Driven Development Operations: Guidance Note.” World Bank, Washington, DC

<sup>24</sup> Arnold, Margaret, Robin Mearns, Kaori Oshima, and Vivek Prasad. 2014. “Climate and Disaster Resilience: The Role for Community-Driven Development.” Social Development Department. World Bank, Washington, D.C

<sup>25</sup> Myint et al, p. 10.

<sup>26</sup> Mapping and lessons learned of women economic empowerment, World Bank, (2017)



Information Disclosure. The relevance of ESS6 and ESS8 will be further assessed during project appraisal due to possible basic community infrastructure.

Based on the project activities the potential adverse risks and impacts on human populations and/or the environment are not likely to be significant and will be site specific, local, reversible and mainly temporary and can be managed through appropriate mitigation measures. These activities may result in both direct and indirect environmental and social impacts and risks such as: generation of noise, dusts and vibration, erosion, traffic disturbance and accident traffic risks and community and workers health and safety risks including risks to increase HIV/AIDS transmission; risks related to the influx of workers and local recruitment during civil works.

It is expected that these project activities will have essentially positive social impacts by financing rural infrastructure investments identified and prioritized by the communities. No irreversible social risks related to community health and safety, or cultural heritage will be expected. There is a potential risk of land acquisition and temporary displacement or restrictions to access in relation to infrastructures and livelihood opportunities activities. These risks are predictable and expected to be temporary and/or reversible, however, based on the initial GBV risk screening the GBV risk has been classified as Substantial. Given the high levels of GBV prevalence in the country and in the South in particular, the project needs to consider that it can exacerbate its occurrence, as it will be intervening in the communities, bringing resources, funds, as well enabling some members to participate in decision-making processes about investments and benefits that can exclude others. These activities may also have impacts on community health and safety such as road safety and transmission of STDs. The project should also consider security risks associated with the Zebus thieves prevalent in the south, a specific project component has been designed for community-based Early Warning and Response System (EWRS) to manage such risks. It must also be noted that the Project Management Unit (PMU) has limited capacity and experience in managing environmental and social risks. The capacity will be further assessed during the due diligence mission and appropriate capacity enhancement measures included in project design.

In order to mitigate the identified risks, the project will need to develop and to disclose by appraisal (i) an Environmental and Social Commitment Plan (ESCP), (ii) a draft Environmental and Social Management Framework (ESMF) with an Integrated Pesticide Management Plan (IPMP) ; (iii) a Resettlement Policy Framework (RPF); (iv) a draft Stakeholder Engagement Plan (SEP); (v) draft Labor Management Procedures (LMP); and (vi) assess and enhance, if necessary, the existing Grievance Mechanism (GM), and establish a workers' Grievance Mechanism.

**Note** To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document.

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