# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 04-Jan-2017 | Report No: PIDISDSA19247

## BASIC INFORMATION

### A. Basic Project Data

| Country | Project ID | Project Name | Parent Project ID (if any) |
|---|---|---|---|
| Madagascar | P160071 | Madagascar-Statistical Capacity Building | |
| Region | Estimated Appraisal Date | Estimated Board Date | Practice Area (Lead) |
| AFRICA | 11-Jan-2017 | 28-Mar-2017 | Poverty and Equity |
| Lending Instrument | Borrower(s) | Implementing Agency | |
| Investment Project Financing | Republic of Madagascar | INSTAT | |

Proposed Development Objective(s)

To strengthen the capacity of the National Statistics Institute to produce quality statistics and to enhance its statistical dissemination practices.

Components

Institutional Reform and Capacity Building
Capacity Building through Data Collection, Analysis, and Dissemination
Project Management

**Financing (in USD Million)**

| Financing Source | Amount |
|---|---|
| Borrower | 6.00 |
| European Commission Development Fund - TF | 6.60 |
| International Development Association (IDA) | 26.80 |
| **Total Project Cost** | **39.40** |

Environmental Assessment Category

C - Not Required

Decision

The review did authorize the preparation to continue

Other Decision (as needed)

## B. Introduction and Context

Country Context

1.      **Madagascar is the fourth-largest island in the world and the majority of its population live in rural areas.** Located in the western Indian Ocean, Madagascar has a surface area of about 587,295 square kilometers and 4,828 km of coastline. The population is estimated in 2015 at about 24.2 million, but actual data are outdated because the most recent baselines from a population census are over two decades old.  Its population is predominately located in rural areas (close to 80 percent) and is overwhelmingly young; over 57% are under the age of nineteen and less than 4% are 60 and above.

2.      **Despite its economic potential, Madagascar development has been hampered by political instability and vulnerability to disasters.** The country is endowed with many assets: a great potential for agriculture, fisheries, mineral resources and abundant unparalleled biodiversity. However, its economy is largely based on subsistence agriculture and informal sectors –where a vast majority of the population work—and a small but relatively diversified formal sector. The country is prone to frequent weather-related disasters and its economic potential has been held back by cycles of political instability since its independence. Over the last fifty years, all heads of state have gained or lost power in the context of an unconstitutional event. The most recent crisis began with the regime change in March 2009 and lasted five years, interrupting a period of economic growth that averaged 7.4 percent between 2003-2008, with devastating effects on the economy, poverty rates and other social outcomes.

3.      **As a result, Madagascar's GDP per capita has halved since 1960 and a vast majority of the Malagasy are poor**. The GDP per capita in current prices is less than $400 and the Gini is 42.6 percent. Inequality is particularly sharp between urban and rural areas. After a period of strong growth between 2003 and 2008, the Malagasy economy contracted in per capita terms during the years that followed. As a result, poverty actually increased between 2000 and 2012, from 68.7 percent to 77.8 percent using the international poverty line of $1.9 per day (2011 PPP). Poverty in rural areas is almost twice as high as in urban areas.

4.      **The expected economic recovery following the establishment of the democratically elected government in early 2014 fell short of initial expectations due to unfavorable domestic and external conditions.** The end of the most recent political crisis and drafting of the National Development Strategy was an opportunity for the country to embark on a path of inclusive, sustainable and accelerated growth. However, continuing political instability, worsening shortages of electricity and bad weather conditions have hampered GDP growth, which in 2014 and 2015 reached about 3 percent. Living standards of the poor are projected to have progressed only marginally with an estimated 77.5 percent of the population remaining in extreme poverty through 2016 (using the above mentioned international poverty line). Presidential elections are scheduled for 2018 although the political situation remains quite fragile.

5.      **Conditions for economic growth improved in the first half of 2016 but a prolonged drought due to El Nino has resulted in food insecurity and compounded the already severe**

**malnutrition rates.** Growth is projected to increase from 3.1 percent in 2015 to 4.1 percent in 2016 and to accelerate gradually over the medium term through developments in construction, public works, exports, and a recovery in agriculture (driven by record high production of rice and increased prices for vanilla). However, the effects over the medium term on poverty headcount will be minimal in the context of rapid population growth. Moreover, the recent drought has resulted in food insecurity, particularly in the south east. The sustained increase in revenue collection, management of government expenditures, and the improvements in governance will be critical to finance public investments and basic service delivery and to respond to weather related shocks.

6.      **The design and implementation of needed structural and governance reforms call for timely and quality data for evidence based policy making.** The National Development Strategy 2015-2019 recognizes that the availability of reliable, accessible, and timely data relevant to the realities of the country, and internationally comparable, is important to inform the design, implementation, monitoring and evaluation of the development policies and programs that will support the foundation for sustained economic recovery and poverty reduction. The National Strategy for Development Statistics (NSDS) 2008-2012 called for the modernization of the governance and the strengthening of the capacities of the National Statistical System (NSS). During its implementation, efforts were oriented toward the installation of regional statistical services which are now in operation in the 22 regions of Madagascar. Trainings of middle level statisticians was also provided. However, key recommendations of the NSDS, such as the need to improve coordination of the statistical system, and implement population and agricultures censuses are still pending and new challenges have emerged since its adoption.

Sectoral and Institutional Context

7.      **Madagascar has a decentralized statistical system with the National Statistical Institute (INSTAT for its acronym in French) as the main official provider of statistics and the line ministries responsible for production of sector statistics.** INSTAT was created in 1947 with the mandate to conduct the main national censuses and surveys as well as the production of key economic and demographic statistics. It is also in charge of coordinating the national policy on statistics and its application in the economic, demographic and social domains. The Decree 1989-016 issued in 1989 created the Committee for the Coordination of Statistical Information but was never implemented.

8.      **The statistical regulatory framework is outdated and does not meet international standards.** The current statistical bill governing the system dates back to 1967 and does not define clearly the flow of information between different government agencies. The enforcement of obligations to provide information to INSTAT by line ministries, other government Agencies and private sector is not sufficiently strong. Penalties for non-response are currently too low, and often key information providers prefer to pay the fee than provide the required information. As a result, INSTAT faces difficulties to collect the information needed to compile timely and accurate statistics. Furthermore, the current statistical act does not meet international principles on production of official statistics, such as the fundamental principles of the United Nations related to production and dissemination of official statistics. The 2009 African Charter on

Statistics is yet to be adopted by the national authorities and to be translated into the national statistical bill.

**9.      Moreover, inadequate financial, human, and infrastructure resources weaken the capacity of INSTAT to fulfil its mandate.** INSTAT in its current form was restructured under the statute of Public Enterprise with industrial and commercial character (EPIC) on April 21, 1989 (Decree No. 98-290). This statute requires partial self-financing of its operations and salaries. Budget transfers from the Government are currently only enough to cover 40% of staff salaries.  As a result, priority has been given to revenue generation activities, such as contracting with development partners to carry out surveys, thereby neglecting the production of core economic statistics. Salary levels are not sufficient to attract and retain qualified statisticians, and few of the approximately 470 staff have the required qualifications. To address the issue, INSTAT is currently supporting the training of statisticians and demographers at the African regional statistical schools and has partnered with the National School of Statistics and Applied Economics of Abidjan (ENSEA) and the National School of Administration (ENA) to locally train assistant statisticians. However, as long as the salary scale remains low, retaining trained students will continue to be challenging. Additionally, operations are severely constrained by a shortage of IT hardware and physical infrastructure. Internet access is unreliable and there aren't enough computers, desks and chairs for even the technical staff.

**10.      Madagascar's limited statistical capacity is reflected in its low Statistical Capacity Index (SCI) score.** According to the World Bank's 2016 Country Statistical Information Database, Madagascar has an overall score of 62.6, up 3.3 points from 2015, around the same level of IDA countries (62.9) and slightly above the low Sub-Saharan Africa average. Scores for methodology (50.0) and periodicity (86.7) are at similar levels than other IDA and SSA countries. However, regarding source data, at 50.0 in 2016, Madagascar has only recently started recovering from a downward trend that started in 2013 and that placed the country below the low IDA (60.5) and SSA (56.3) scores. The index shows scores of zero for the population census and national accounts variables, and 0.7 for income poverty.

**11.      Despite improving periodicity scores, Madagascar is falling behind on several key statistical products, hindering the country's capacity to use reliable data for evidence-based policy making.** While international best practices recommend that a population census be carried out at least once every 10 years, only 2 population censuses have been carried out since its declaration of independence in 1960: the first one in 1975, and the second and last one in 1993. Periodicity of household surveys has been historically appropriate, but the latest one took place in 2012 and Madagascar is currently behind the international recommendation to carry out surveys every three years. Finally, the national accounts statistics are based on the 1968 system of national accounts and the base year dates back to 1984, more than 30 years ago and far from the recommended standards to change the base year every 5 years.

**12.      The outdated population census impacts much of the statistical system and reduces the credibility of development planning, monitoring and management.**  The accuracy of statistics that incorporate population dimensions and are based on household sample surveys is questionable, including macroeconomic statistics (such as GDP per capita), service access, and poverty measurements. The information available regarding the size, structure and geographical distribution of the population dates back to 1993, and does not reflect the current state of affairs.

The Government issued a decree to proceed with the preparation of the third census in 2008 (Decree 2008-1059 and order 21529-08), and a pilot census took place that year, with data collection expected in 2009. However, the deterioration of the socio-political environment led to lack of external funding and the implementation was put on hold. Following the recent elections, a new decree was issued in 2015 to proceed with the census in 2016. An institutional Governance structure was created, including the nomination of INSTAT as the national institution to manage the design and implementation of the census. A National Census Council – a policy decision making body, chaired by the Prime Minister—and a Census Technical Committee, to guide technical questions were also established.

13.     **Poverty welfare monitoring surveys are conducted on a more regular basis but rely on projections from outdated data.** Since the early 90s, INSTAT has organized regular poverty household surveys with the support of development partners to monitor the living conditions of the population including in 1993, 1997, 1999, 2001, 2002, 2004, 2005, 2010 and 2012. Demographic and Health Survey (DHS) and the Multiple Indicators Cluster Survey (MICS) are also conducted frequently and the last labor force survey took place in 2015. However, the absence of an updated population census forces the sampling frame for surveys to rely on population data based on projections from 1993, making the representativeness of the samples and the estimates from these surveys questionable.

14.     **The national accounts currently produced by INSTAT are of insufficient quality to adequately measure the economic situation of the country.** INSTAT is yet to fully adopt the 1993 System of National Accounts (SNA) and for the most part uses the 1968 SNA. While international best practices require that national accounts are rebased once every five years, the base year of the accounts dates back to 1984. In addition, data sources are incomplete. The estimates of agricultural activities (which accounts for about 80% of employment and contributes to 25% of GDP) are poor and there is no reliable information about the size and evolution of this sector. Service activities are not properly covered and there is scarce information about the magnitude of the informal sector. Furthermore, a recent diagnosis by the IMF (January 2016) highlights the need to update the regulatory framework, strengthen the human and technological resources at the Ministry of Finance, Central Bank and INSTAT, and improve the flow of information between them to be able to implement the priorities and five year plan recommended in the diagnosis. The irregular data collection and the broken flow of information between the different government institutions has resulted in untimely statistics of questionable quality. With the assistance of the IMF and the World Bank, a rebasing exercise, along with the incorporation of the 1993 SNA recommendations started in 2014. GDP estimates of the new base year (2007) are available at INSTAT but are yet to be validated and made official. In addition, the accounts from 2008 to 2015 consistent with the SNA 93 and the new base year are yet to be prepared.

15.     **Price statistics are relatively more reliable and the consumer price index (CPI) is produced on a monthly basis.** However the CPI is constructed based on prices collected in the capital and some main cities and does not cover rural areas. In addition, it uses 2010 as the base year, in slight deviation from the international recommendation to use a fixed base year and rebase it once every five years. To comply with this international best practice, the IMF has been providing technical assistance to INSTAT since 2015 to rebase the CPI to 2012. The product listing and weights calculation has been updated and the complete outlet definition and software

development is expected to be completed by the end of 2016, to start producing the new index in early 2017. In addition, INSTAT intends to rebase the index based on the upcoming 2018 household living standards survey.

## C. Proposed Development Objective(s)

**16.** The Development Objective of this Project is to strengthen the capacity of the National Statistics Institute to produce quality statistics and to enhance its statistical dissemination practices.

Key Results

**17.** **The key aspects of the PDO are the strengthening of INSTAT's capacity to produce quality statistics and to enhance its dissemination practices**. Quality dimensions include a methodology that follows international standards, timeliness in data collection, and timely dissemination. Progress toward the PDO will be measured and monitored through the following indicators:

(a)     Capacity: Increase in the Statistical Capacity Index (SCI) score for the SCI variables that the project will influence.

(b)     Quality/methodology: Number of statistical products designed and implemented in line with international standards.

(c)     Quality/Data Collection Timeliness: Number of statistical products that are released according to the release calendar (population census, HH surveys, National Accounts, CPI)

(d)     Enhanced dissemination practices (Access and Use): Number of views or downloads of anonymized micro-datasets available online

**18.** **The key outputs of the project include the following:**

(a)     Modernized regulatory framework

(b)     Improved skills of INSTAT personnel through both learning programs and learning by doing;

(c)     Population census data and analysis updated and publically available;

(d)     Welfare monitoring survey completed and data published;

(e)     National accounts statistics using the 1993 SNA completed and published;

(f)     CPI base year updated.

## D. Project Description

19.     **The proposed project activities will focus on the core features to produce quality statistics, and making them available to decision makers and the public.** INSTAT is identified as the designated implementing agency in its role of provider of official statistics in Madagascar. The project is expected to have a duration of five years from the WBG Board approval, assuming no effectiveness delays. Project activities are anchored in the NSDS and selected according to the Government demand and in line with the following three criteria: (i) core features of a modern statistical system; (ii) aligned with the WBG's comparative advantage in technical assistance; and (iii) closing critical data gaps. The proposed project is structured into the following components: (i) Institutional Reform and Capacity Building; (ii) Capacity Building through Data Collection, Analysis and Dissemination; (iii) Project Management.

### Component 1: Institutional Reform and Capacity Building (US$ 3.4 million)

20.     **The aim of this component is to support the modernization of the institutional framework and the development of human capital to help INSTAT fulfil its mandate.** More specifically, this component will include support for: (i) institutional reform of the national statistical system, to modernize the regulatory framework and improve INSTAT's organizational structure and management; (ii) drafting of a new National Strategy for Development of Statistics (NSDS); (iii) modernization of ICT and equipment to create a more effective and efficient institution; and (iv) the strengthening of human resources capacity for the production, analysis and dissemination of quality statistics.

### Subcomponent 1.1: Institutional Reform (US$ 0.3 million)

21.     **An institutional Assessment will provide the foundation for the institutional reform, and will include the review of the regulatory framework and human resources structure.** The assessment will take into consideration previous restructuring proposals, and include an action plan to consolidate INSTAT's role as custodian of official statistics. The project will also provide technical assistance to draft a new statistical law and its regulations, and for the creation of a national statistical coordination body. The drafting of the new law is an opportunity to include a new statute that guarantees increased public financing to the Institute and less dependency on revenue generation activities. Subsequently and based on the updated INSTAT statute, the project will support the assessment of human resources needs to fulfill the new organigram and updated mandate. More specifically, it will include, among others, the proposed institutional structure of INSTAT and the appropriate staffing needs and skill set, budget, and salary levels.

### Subcomponent 1.2: New and Updated National Strategy for the Development of Statistics (NSDS) (US$ 0.3 million)

22.     **The new NSDS will guide the modernization of the National Statistical System (NSS) and will consolidate advances under the existing NSDS.** The process to draft a new NSDS has already started with support from UNDP, and with a focus on a diagnosis of the

progress on the existing NSDS released in 2007. The project will build on this diagnosis to draft the next strategy (NSDS II), with the purpose of setting the medium term vision and the 5 year action plan for the modernization of the system.

*Subcomponent 1.3: ICT and equipment (US$ 1.7 million)*

23.     **The availability of timely and quality statistics requires an appropriate technical set up to collect, process and disseminate data.** The project will finance the needed upgrade of the ICT infrastructure, including a data center (internet, computers, printers, etc.) to ensure efficient workflows for data collection, processing, analysis, dissemination and archiving.  The data center will be particularly relevant to ensure optimum management, capacity and reliability of tablet-based data collection processes.

*Subcomponent 1.4: Improving human resources technical capacity (US$ 1.1 million)*

24.     **A skilled workforce is another key element for the development of high quality statistics and for the sustainability of the project outcomes.** The overall objective of this subcomponent is to increase the proportion of INSTAT's professional staff with formal degrees and to improve the skills of existing staff by providing some on-the-job training in areas related to statistics, demography, economics, and information technology. The training program for existing staff will be conducted primarily in-house, and will focus on specific statistical skills that are linked directly to data collection or statistical production activities, with the aim to permanently improve the quality of the statistical products. Specifically, the project will invest in: (i) implementing a training and skill enhancement program for existing staff; (ii) supporting the modernization of the national statistics school; and (iii) providing scholarships (tuitions and stipends) to candidates who successfully pass the competitive entrance examination to study abroad in internationally recognized regional statistical schools. Candidates receiving scholarships will be required to sign a commitment to remain in the institute for a certain amount of time after the graduation.

*Component 2: Capacity Building through Data Collection, Analysis, and Dissemination (US$ 21.6 million)*

25.     **The key pillar of the proposed project aims at closing key statistical data gaps and building capacity through learning by doing.** This component supports the closing of critical data gaps and the enhancement of data accessibility and dissemination practices. It will also help build capacity in the processing of data production. The focus areas are policy-driven and data collection activities have been identified based on the most pressing demands: Population and Housing census, poverty statistics, and basic economic statistics. In addition, this component will support the enhancement of micro-data dissemination.

*Subcomponent 2.1: Population and Housing Census (US$ 17 million)*

26.     **The new population census will provide basic demographic and socio-economic data, key for the planning and monitoring of the Government's development programs.** The Government launched the third population census in February 2015 with an estimated
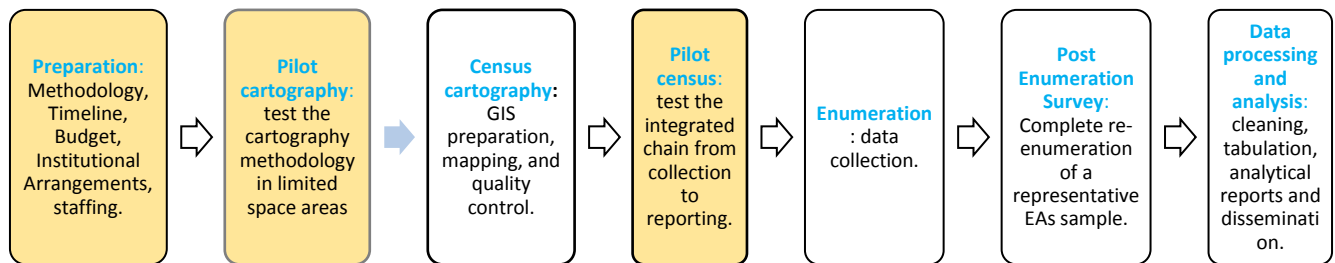
duration of 46 months. The objective is to update the socio-economic and demographic characteristics of Madagascar's population. The census provides basic information for the monitoring of the sustainable development goals (SDG) indicators, provides the master sampling frame for household surveys, and supports sector planning and monitoring. The data and subsequent analysis will be disaggregated by gender.

27. **Government financing for the population census will be complemented with resources from several donors.** The overall cost of the census is estimated at approximately US$ 27.6 million. The Government's expected contribution is US$ 6 million and the contributions from partners announced to date include: (i) $17 million from the Bank's IDA credit; and (ii) € 6 million from the EU through an RETF managed by the Bank. Additional contributions from other donors include US$ 0.7 million from USAID, and approximately US$ 1.8 million from UNFPA, part of which has already been disbursed in preparatory activities. The Population Census Financial Support Committee (CAFP for its acronym in French) has been created to plan, manage, coordinate and monitor the financial support and contributions from the project co-financiers. Should some of the donors' contributions not materialize, the financing gap could be closed through an additional financing of the IDA credit.

28. **The census consists of several phases that include the pilot cartography, cartography, pilot census, enumeration, post enumeration survey and data processing and analysis.** Figure 1 shows the sequence and different phases of a population census.

**FIGURE 1: POPULATION AND HOUSING CENSUS PHASES**



29. **Activities completed to date include those related to the census preparation, and the pilot cartography and pilot census.** With financial and technical assistance from UNFPA, INSTAT has completed the establishment of the Governance Structure, the proposed methodology, and a detailed budget and timeline, which has already been approved by the Population Census National Council. Additionally, a pilot cartography was carried out in 2015 and a pilot census to test the methodology and questionnaire took place in October 2016. The enumeration phase is expected to last 2 weeks.

30. **Given the short timeframe for the census implementation, the methodology will be based on paper questionnaires.** The pilot census was based on an enumeration process that included a combination of paper questionnaires in rural and small cities areas (88% of the

population), and Computer Assisted Personal Interviewing (CAPI) in the main urban centers (12% of the population). Based on the assessment of the pilot and considering the insufficient preparation time available for the CAPI methodology, the decision was to proceed with paper only across the whole country. This will also mitigate risks related to any potential comparability issues associated with the hybrid approach and to the low capacity of INSTAT to support both methodologies.

31.     **The estimated timeline to complete the census is very tight and several of these phases require mobilization of human, financial, and material resources in a relatively short period of time, which is likely to test INSTAT absorptive capacity.** The time available for the completion of the census is limited by the upcoming Presidential elections of 2018 and by the difficulty to carry out the field work during the rainy season (October to March). A Project Preparation Advance of US$ 3.725 million has been approved to proceed with the next phases as soon as possible, including the recruitment of the implementing unit and the implementation of the cartography. The Government and the Bank team are considering increasing the PPA to US$6 million to cover the full cartography, and some preparatory activities of the enumeration.

32.     **Successful and timely completion of the cartography is critical for the enumeration phase and particularly to assess the scope and cost estimate for the actual population enumeration.** The output of the census cartography is a Geographic Information System (GIS) database of social infrastructure, and estimates of population distribution that will serve to partition the country into enumeration areas.

33.     **The enumeration phase should take place a few months after the cartography work is completed and ideally before the start of the rainy season**. This phase requires mobilization of human, financial and material resources in a relatively short period of time. The Government is considering the recruitment of an external firm to handle the recruitment and payment of the approximately 30,000 people needed to carry out the enumeration; and to handle the logistics of the census implementation, while keeping the technical decisions and processes in-house.

34.     **The data coding and entry are expected to be done at Antananarivo**. Following a quality control process, the paper questionnaires are expected to be sent back to Antananarivo to proceed with the coding and the subsequent data entry. The estimated timeline is 8 months for the data coding and entry and approximately 3 months for the subsequent data cleaning.

*Subcomponent 2.2: Household Poverty and Living Standards Surveys (US$ 2.2 million)*

35.     **The project will finance data collection for two income, expenditure, and living standards household surveys to be conducted in 2018 and 2021, respectively.** The methodology and design of the surveys will incorporate international best practices and lessons learned through the Living Standard Measurement Survey (LSMS) program. These improvements include: (i) the development of specific modules for a more accurate measurement of food consumption, including own-produced food and meals taken away from home; (ii) a complementary survey in markets to address the issue of non-standard local units;

and (iii) the individualization of health and education expenditures. The questionnaire will also collect gender disaggregated data.

36.     **For both surveys, the project will cover three main activities: (i) preparation and design of the survey, (ii) implementation and data collection, and (iii) data processing, analysis and dissemination of results.** Preparatory activities to be financed include survey design, training of enumerators and the development of the fieldwork calendar. Support for fieldwork implementation will encompass the design and implementation of real time quality control procedures. Regarding data processing, the project will support INSTAT in the preparation of a standard approach for data cleaning and quality assurance and the production of a fully documented and replicable procedure for data verification, error checking and correction. It will also provide technical assistance for INSTAT to perform the analysis of the survey data, preparation of the survey report and dissemination of survey results and micro-data. Following the 2018 survey, the project will also support the production of a small-area poverty map using the 2017 population census data and the survey's results. Should the population census be delayed until after the Presidential elections, the realization of the first Household survey in 2018 will be accelerated using the inputs from the new cartography

*Subcomponent 2.3:  National Accounts and Consumer Price Index (US$ 1.9 million)*

37.     **The Bank is closely coordinating the update of the national accounts with the IMF in order to strengthen the country's capacity to adapt national accounts to the latest international methodological standards and to close key data gaps.** To address these challenges, the project will support: (i) the production of new accounts for 2008 to 2015 consistent with the SNA 93 and the new base year using data sources coming from the new population census, the updated business registry and the household surveys financed by the project; (ii) the improvement and maintenance of a business registry; (iii) a business survey to recalibrate the production price index; (iv) an informal sector survey; and (v) the compilation of export and import price indices. These activities will be complemented by improving the quality and facilitating better access to administrative data. The rebasing will also provide an opportunity to align the national accounts to the new international guidelines on national accounts: the SNA 2008.

38.     **The project will also provide technical assistance to update the CPI**. Specifically, the project will provide support to complete the current rebasing process and will finance the next rebasing exercise of the Index based on the 2018 living standard survey. The implementation of the updated CPI will take into consideration the upcoming 2017 International Comparison Program.

*Subcomponent 2.4: Data Analysis and Dissemination (US$ 0.5 million)*

39.     **The project will support the development of data access and information policies and dissemination practices, especially the dissemination of micro-data.** Financing includes: (i) the formulation and adoption of data dissemination and microdata access policies and calendar; (ii) the redesign of INSTAT website to include a micro-data portal accessible on line

and based on open-data principles; (iii) technical assistance and training on micro-data anonymization; and (iv) the improvement of internet access at the INSTAT.

*Component 3: Project Management (US$ 1.8 million)*

40.      **To strengthen the limited capacity at INSTAT, the project will finance a Project Implementation Unit (PIU), to manage all non-technical aspects of the project's activities.** The PIU will (a) prepare annual work plans and budgets; (b) carry out all disbursements and any financial management and procurement-related activities in accordance with World Bank–approved procedures; (c) prepare and consolidate periodic progress reports; and (d) monitor and evaluate project activities. The PIU will also ensure that progress is reported quarterly to the Project Steering Committee, the World Bank, and other authorities.

### E. Implementation

Institutional and Implementation Arrangements

41.      **Project management**: The project implementing agency will be INSTAT, given its role as provider of official statistics in Madagascar and the project's objective to develop on the job capacity building for project management. However, considering INSTAT's limited experience and capacity in managing World Bank projects, a Project Implementing Unit (PIU) will be set up within INSTAT to carry out the day to day project's activities and to handle the management, reporting and auditing responsibilities. In particular, the unit will be responsible for the preparation of procurement, budget and financing plans and for following and updating the operations manual as needed. It will also be responsible for the compliance with World Bank procurement, disbursement, and financial management policies and procedures. This PIU will include a project coordinator/M&E specialist, a financial management specialist, a procurement officer, and IT specialist and a communications specialist. The project coordinator will report directly to the Director General of INSTAT. To reduce INSTAT's learning curve with World Bank processes and policies, and due to the urgency to proceed with the activities funded by the PPA, the PIU will be hosted initially inside an existing PIU for a World Bank funded project that is about to close.

42.      **Project oversight**. A Project Steering Committee (PSC) chaired by the Minister of Planning and Economy or its representative, will be set up to oversee the overall implementation of the project. The Committee would comprise, the Director General of INSTAT and representatives from the Ministry of Finance, the Central Bank, the Chairman of the INSTAT Board. The Minister in charge of Planning and Economy will have the discretion to appoint additional member(s) to the Committee. The PSC will oversee the project progress and approve the annual work plan (AWP) as well as annual report.

.

**F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

Activities will be implemented at INSTAT's offices in Antananarivo, with the exception of surveys and gathering of statist data, which will take place across the country. Project benefits will be nationwide.

**G. Environmental and Social Safeguards Specialists on the Team**

Paul-Jean Feno

**SAFEGUARD POLICIES THAT MIGHT APPLY**

| Safeguard Policies | Triggered? | Explanation (Optional) |
|---|---|---|
| Environmental Assessment OP/BP 4.01 | No | The project focuses on statistical works. No environmental risks are foreseen. |
| Natural Habitats OP/BP 4.04 | No | The project focuses on statistical works. No risks to natural habitats are foreseen. |
| Forests OP/BP 4.36 | No | The project focuses on statistical works. No risks to forests are foreseen. |
| Pest Management OP 4.09 | No | The project focuses on statistical works. No pest management plan is required. |
| Physical Cultural Resources OP/BP 4.11 | No | The project focuses on statistical works. No risks to physical cultural resources are foreseen. |
| Indigenous Peoples OP/BP 4.10 | No | The project focuses on statistical works. No risks to indigenous peoples are foreseen. |
| Involuntary Resettlement OP/BP 4.12 | No | The project focuses on statistical works. No risks for involuntary resettlement are foreseen. |
| Safety of Dams OP/BP 4.37 | No | The project focuses on statistical works. No risks to safety of dams are foreseen. |
| Projects on International Waterways OP/BP 7.50 | No | The project focuses on statistical works and does not include works on international waterways. |
| Projects in Disputed Areas OP/BP 7.60 | No | The project focuses on statistical works and does not include works on international waterways. |

**KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT**

**A. Summary of Key Safeguard Issues**

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:
No large scale safeguard issues and/or impacts have been identified.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
No potential indirect and/or long term impacts due to anticipated future activities in the project area have been identified.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
N/A

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
N/A

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
N/A

**B. Disclosure Requirements**

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)**

**The World Bank Policy on Disclosure of Information**

Have relevant safeguard policies documents been sent to the World Bank's Infoshop?
NA

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?
NA

**All Safeguard Policies**

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?
NA

Have costs related to safeguard policy measures been included in the project cost?
NA

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?
NA

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?
NA

## CONTACT POINT

### World Bank

Maria Dolores Arribas-Banos
Adviser

Abdoullahi Beidou
Senior Economist/Statistician

### Borrower/Client/Recipient

Republic of Madagascar

### Implementing Agencies

INSTAT
Ida Clement Rajaonera
Director General
idaraja@gmail.com

## FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: http://www.worldbank.org/projects

## APPROVAL

| Task Team Leader(s): | Maria Dolores Arribas-Banos<br>Abdoullahi Beidou | |
|---|---|---|

**Approved By**

| Safeguards Advisor: | | |
|---|---|---|
| Practice Manager/Manager: | Pablo Fajnzylber | 07-Jan-2017 |
| Country Director: | Cristina Isabel Panasco Santos | 09-Jan-2017 |